NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF RAMSSOL GROUP BERHAD ("RAMSSOL" OR THE "COMPANY") DATED 22 JUNE 2021 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Electronic Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at www.bursamalaysia.com ("**Website**").

Availability and Location of Paper / Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper / printed copy of the Electronic Prospectus directly from the Company, Kenanga Investment Bank Berhad ("**Kenanga IB**") or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a paper / printer copy of the Electronic Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, Kenanga IB and Ramssol take no responsibility for the distribution of the Electronic Prospectus and / or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 22 June 2021 and will close at 5.00 p.m. on 29 June 2021. In the event there is any change to the timetable, the Company will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the Website and the use of the contents of the Website and / or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind and shall not at any time be relied upon as such.

RAMSSOLGROUP

RAMSSOL GROUP BERHAD
Registration No. 201901001120 (1310446-A)
(Incorporated in Malaysia under the Companies Act, 2016)

RAMSSOL GROUP BERHAD
Registration No. 201901001120 (1310446-A)
(Incorporated in Malaysia under the Companies Act, 2016)

PROSPECTUS

PROSPECTUS

THIS PROSPECTUS IS DATED 22 JUNE 2021

RAMSSOLGROUP

RAMSSOL GROUP BERHAD

Registration No. 201901001120 (1310446-A)
(Incorporated in Malaysia under the Companies Act, 2016)

INITIAL PUBLIC OFFERING ("**IPO**") OF 78,064,000 ORDINARY SHARES IN RAMSSOL GROUP BERHAD ("**RAMSSOL**" OR THE "**COMPANY**") ("**SHARES**") COMPRISING:

(I) PUBLIC ISSUE OF 55,760,000 NEW SHARES ("**PUBLIC ISSUE SHARES**") IN THE FOLLOWING MANNER:

- (A) 11,200,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (B) 5,600,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF RAMSSOL AND ITS SUBSIDIARIES; AND
- (C) 38,960,000 NEW SHARES AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

(II) OFFER FOR SALE OF 22,304,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AT AN IPO PRICE OF RM0.45 PER SHARE PAYABLE IN FULL ON APPLICATION IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

Principal Adviser, Sponsor, Underwriter and Placement Agent

kenanga

KENANGA INVESTMENT BANK BERHAD

Registration No. 197301002193 (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

No securities will be allotted or issued based on this prospectus after 6 months from the date of this prospectus.

This Prospectus has been registered by the Securities Commission Malaysia ("**SC**"). The registration of this Prospectus should not be taken to indicate that the SC recommends our IPO or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 185.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THIS ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SC UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

All defined terms used in this Prospectus are defined under "Definitions" commencing on page x, "Glossary of Technical Terms" commencing on page xviii and "Presentation of Financial and Other Information" commencing on page viii.

RESPONSIBILITY STATEMENTS

The Directors and Promoters (as defined in this Prospectus) of Ramssol Group Berhad ("**Ramssol**" or the "**Company**") and the Offerors (as defined in this Prospectus) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

Kenanga Investment Bank Berhad ("**Kenanga IB**"), being our Principal Adviser, Sponsor, Underwriter and Placement Agent in relation to our IPO, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO (as defined in this Prospectus).

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for our Listing (as defined in this Prospectus). Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form (as defined in this Prospectus), will be lodged with the Registrar of Companies, who takes no responsibility for its contents. In view of the temporary closure of operations by the Registrar of Companies during phase 1 of total lockdown from 1 June 2021 until 28 June 2021, this Prospectus together with the Application Form will be lodged within 2 weeks after lodgement is able to be made with the Registrar of Companies.

OTHER STATEMENTS

Investor should note that they may seek recourse under Sections 248, 249 and 357 of the Capital Market and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

This Prospectus is prepared and published solely in connection with our IPO under the laws of Malaysia. Our Shares are issued / offered in Malaysia solely based on the contents of this Prospectus. Our Company, our Promoters, the Offerors and the Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith. It shall be your sole responsibility, if you are or may be subject to the laws of any country or jurisdiction other than Malaysia, to consult your legal and / or other professional advisers as to whether your application for our IPO would result in the contravention of any law of such country or jurisdiction which you may be subject to. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any other application made by you shall be illegal, unenforceable, avoidable or void in any such country and jurisdiction.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and would not be in contravention of any law of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the electronic Prospectus and this Prospectus registered by the SC are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined in this Prospectus) may be subject to risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt about the validity or integrity of the electronic Prospectus, you should immediately request a paper / printed copy of this Prospectus from us, our Principal Adviser or Issuing House (as defined in this Prospectus). If there is any discrepancy between the contents of the electronic Prospectus and the contents of the paper / printed copy of this Prospectus for any reason whatsoever, the contents of the paper / printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**") whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

(i) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third Party Internet Sites and are not responsible for the availability of, or the content or any data, information, files or other materials provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;

(ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and

(iii) any data, information, files or other materials downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, files, information or other materials.

Where an electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

(i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the electronic Prospectus, i.e. to the extent that the content of the electronic Prospectus on the web server of the Internet Participating Financial Institutions may be viewed via web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of the electronic Prospectus, which has been obtained from the web server of the Internet Participating Financial Institutions and subsequently communicated or disseminated in any manner to you or other parties; and

(ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the electronic Prospectus, the accuracy and reliability of the electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and / or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

(The rest of this is page is intentionally left blank)

INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

Events	Indicative Dates
Opening of application for our IPO	22 June 2021
Closing of application for our IPO	29 June 2021
Balloting of Application	2 July 2021
Allotment of IPO Shares to successful applicants	9 July 2021
Listing on the ACE Market	13 July 2021

In the event there is any change to the timetable, we will advertise a notice of change in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

(The rest of this is page is intentionally left blank)

TABLE OF CONTENTS

TABLE OF CONTENTS *(CONT'D)*

TABLE OF CONTENTS *(CONT'D)*

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Words importing the singular include the plural and vice versa. Words importing a gender include any gender. References to persons include a corporation. Any reference to words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to “Ramssol” and “our Company” in this Prospectus are to Ramssol Group Berhad, references to the “Ramssol Group” or “our Group” are to our Company and our subsidiaries taken as a whole. Unless the context otherwise requires, references to “Management” are to our Directors and key senior management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to “you” are to our prospective investors.

Any reference in this Prospectus, the Application Form, Electronic Share Application or Internet Share Application to any legislation, statute or statutory provision shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or 2 decimal places, where applicable and hence may not be exact. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

All reference to dates and times are references to dates and times in Malaysia unless otherwise stated. All references to the “LPD” in this Prospectus are referred to 24 May 2021, which is the latest practicable date prior to the registration of this Prospectus with the SC.

This Prospectus includes statistical data provided by us and various third parties. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where there is no source stated, it can be assumed that the information originates from us or is extracted from the Independent Market Research Report prepared by Smith Zander International Sdn Bhd which is included in Section 7 of this Prospectus. Smith Zander International Sdn Bhd has been appointed to provide an Independent Market Research Report. In compiling its data for the review, Smith Zander International Sdn Bhd had relied on its research methodology, industry sources, published materials, its own private databases and direct contacts within the industry.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail. The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

(The rest of this page is intentionally left blank)

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, future plans and prospects, and objectives of our Group for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Group's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

(i) our future overall business development and operations;

(ii) our future financial performance and financing plans including earnings, cash flow and liquidity;

(iii) potential growth opportunities;

(iv) our business strategies, trends and competitive position and the effect of such competition;

(v) the plans and objectives of our Company for future operations;

(vi) the general industry environment, including the demand and supply for our products and services;

(vii) our ability to pay dividends; and

(viii) the regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

(i) the general economic, business, social, political and investment environment in Malaysia and globally; and

(ii) government policy, legislation and regulation.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 8 of this Prospectus on “Risk Factors” and Section 12.3 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent material change or development affecting matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of our Public Issue Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

ACE Market	:	ACE Market of Bursa Securities
Acquisition	:	The acquisition by Ramssol of the entire issued share capital of Rams Malaysia comprising 500,001 ordinary shares for a purchase consideration of RM1,313,070 satisfied wholly by the issuance of 3,450,000 new Shares at an issue price of RM0.3806 per Share, as set out in Section 5.5.1 of this Prospectus
Act	:	Companies Act 2016, including amendments from time to time and any re-enactment thereof
ADA	:	Authorised Depository Agent, a person appointed by Bursa Depository under the Rules
ADA Code	:	ADA (Broker) Code
Admission	:	Admission of our Shares to the Official List of the ACE Market
Application	:	Application for our IPO Shares by way of Application Form, the Electronic Share Application or the Internet Share Application
Application Form(s)	:	The printed application form for the application of our IPO Shares
ATM	:	Automated Teller Machine
Board	:	Board of Directors of Ramssol
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account(s)	:	An account established by Bursa Depository for the recording of deposits or securities and for dealings in such securities by the Depositor
Central Depositories Act or SICDA	:	Securities Industry (Central Depositories) Act 1991
Class A RCPS	:	3,553,000 Class A redeemable convertible preference shares that was issued by Ramssol to the business associates of Tan Chee Seng, Lee Miew Lan and our Group at a subscription price of RM1.00 per Class A RCPS. The Class A RCPS has a conversion ratio of 100 Class A RCPS for 10 new Shares. There are 25 Class A RCPS holders which have subscribed between 15,000 Class A RCPS to 2,000,000 Class A RCPS

DEFINITIONS *(CONT'D)*

Class B RCPS	:	940,000 Class B redeemable convertible preference shares that was issued by Ramssol to the Related Parties and other parties at a subscription price of RM1.00 per Class B RCPS. The Class B RCPS has a conversion ratio of 100 Class B RCPS for 8 new Shares. There are 13 Class B RCPS holders which have subscribed between 30,000 Class B RCPS to 130,000 Class B RCPS
CMCO	:	Conditional MCO
CMSA	:	Capital Markets and Services Act 2007, including amendments from time to time and any re-enactment thereof
Conversion of RCPS	:	Collectively, conversion of Class A RCPS and Class B RCPS into new Shares of our Company, as set out in Section 5.5.1 of this Prospectus
Company A, Company B, Company C and Company E	:	Company A, Company B, Company C and Company E are subsidiaries of a multinational computer technology corporation with headquarters in the United States of America that is principally involved in selling database software and technology, cloud engineered systems, and enterprise software products that manages business operations and customer relations. Company A is located and operates in Malaysia, Company B in Thailand, Company C in Singapore and Company E in Indonesia. The parent company of Company A, Company B, Company C and Company E is listed on the New York Stock Exchange. On 17 March 2021, Company A entered into a master distribution agreement with Rams Malaysia that requires Rams Malaysia, amongst others, not to disclose to investors or potential investors information regarding the financial performance of Company A and its related companies from whom the Group makes purchases from or the financial performance of Rams Malaysia specifically related to Company A's programs / services without prior consent from Company A. Although the master distribution agreement was signed by Rams Malaysia, the master distribution agreement allows placing of orders by Rams Malaysia and its subsidiaries with other entities within the multinational computer technology corporation in Southeast Asia region and the management of Ramssol is of the view that the terms of the master distribution agreement will also apply to any entity within the Group which places orders with any entity within the multinational computer technology corporation as it is expressly stated in the master distribution agreement that Rams Malaysia shall have the authority to bind its subsidiaries. Thus, the subsidiaries of Rams Malaysia are also bound by the terms of the master distribution agreement due to the above. Company A is a major customer and major supplier of the Group, and Company B, Company C and Company E are major suppliers of the Group in the Financial Years Under Review. Pursuant thereto, Rams Malaysia had sought consent from Company A for disclosure of financial information required pursuant to the IPO but the consent for disclosure was refused by Company A. Should the financial information related to Company A, Company B, Company C and Company E be disclosed in the Prospectus of Ramssol, Rams Malaysia would be in breach of the master distribution agreement and the Group may potentially be subject to legal action from Company A and / or its related companies from whom the Group makes purchases from.

		As disclosed in the Prospectus, the Group is deemed to be dependent on Company A as the major customer and major supplier and Company B, Company C and Company E as the major suppliers of the Group in the Financial Years Under Review and the foreseeable future.
COVID-19	:	Coronavirus disease 2019
Crowe Malaysia	:	Crowe Malaysia PLT 201906000005 (LLP0018817-LCA) & AF1018, our Auditors and Reporting Accountants
Company D	:	A local engineering conglomerate that is principally involved in engineering and construction, township and property development, expressways and asset facilities management. Its headquarters is in Malaysia with presence in various countries such as Singapore, Australia, New Zealand, United Kingdom and the Middle East. Company D is a wholly-owned subsidiary of a sovereign wealth fund of the Government. Company D had entered into an agreement with Rams Malaysia in July 2018 that required Rams Malaysia, amongst others, to keep all confidential information confidential and not disclose any confidential information to any other person other than as permitted under the agreement, and not use any confidential information for any purpose other than the performance of the obligations under the agreement. Company D was one of the major customers for the Group for FYE 2019. Pursuant thereto, the Company had sought consent from Company D for disclosure of information required pursuant to the IPO but the consent to disclosure was refused by Company D in September 2020. Should the name of Company D along with its information relating to the agreement is disclosed in the prospectus of Ramssol, the Company would be in breach of the agreement and the Group may potentially be subject to legal action from Company D. Notwithstanding the above, the Group is not deemed to be dependent on Company D as the Group has secured contracts with other customers. Company D is not a major customer of the Group for FYE 2020.
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company and shall have the meaning given in Section 2 of the CMSA
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	An electronic copy of this Prospectus that has been registered by the SC, which is being issued, circulated, disseminated, stored or hosted on digital platforms or electronic storage mediums, including but not limited to website, mobile application, email, compact disc, thumb drive and cloud-based storage
Electronic Share Application	:	Application for our IPO Shares through a Participating Financial Institution's ATM
Eligible Persons	:	Eligible Directors, employees and business associates of our Group who have contributed to the success of our Group, as further detailed in Section 3.3.1(ii) of this Prospectus
EPS	:	Earnings per Share

Feets Indonesia	:	PT Feets Tech Indo (AHU.0010575.AH.01.11.Tahun 2019)
Feets Malaysia	:	Feets Sdn. Bhd. (Registration No. 201701021208 (1235374-D))
Financial Years Under Review	:	FYE 2017, FYE 2018, FYE 2019 and FYE 2020
FYE	:	Financial year ended / ending 31 December, as the case may be
Government	:	Government of Malaysia
GLCs	:	Government-Linked Companies
GP	:	Gross profit
IMR Report	:	Independent Market Research Report on the Human Capital Management Solutions Industry, Information Technology Staff Augmentation Industry, and Employee Engagement Platforms and Collaboration Platforms Market in Malaysia, Singapore, Thailand, Vietnam, Indonesia and the Philippines
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Share Applications, which is set out in Section 15 of this Prospectus
IPO	:	Initial public offering comprising the Public Issue and Offer for Sale collectively
IPO Price	:	RM0.45 per IPO Share, being the price payable by investors under the Public Issue and Offer for Sale
IPO Share(s)	:	The Public Issue Shares and Offer Shares collectively
Issuing House and Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
Kenanga IB or Principal Adviser or Sponsor or Underwriter or Placement Agent	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H)), our principal adviser, sponsor, underwriter and placement agent
Listing	:	Admission to the Official List and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	Pre-IPO Exercise, IPO and Listing, collectively
LPD	:	24 May 2021, being the latest practicable date prior to the registration of this Prospectus with the SC
Malaysian Public	:	Malaysian citizens, companies, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	:	A day on which Bursa Securities is open for trading in securities

MCO	:	Movement control order
MD&A	:	Management discussion and analysis
MDEC	:	Malaysia Digital Economy Corporation Sdn Bhd
MFRS	:	Malaysian Financial Reporting Standards, as issued by the Malaysian Accounting Standards Board
MNCs	:	Multinational Corporations
MyIPO	:	Intellectual Property Corporation of Malaysia
NA	:	Net assets
NBV	:	Net book value
NL	:	Net liabilities
NTA	:	Net tangible assets
Offer for Sale	:	The invitation by the Offerors to selected investors to purchase the Offer Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Offer Shares	:	The 22,304,000 Shares, which are the subject of the Offer for Sale
Offerors or Selling Shareholders	:	Tan Chee Seng, Lee Miew Lan, Wong Kum Loong and Liew Yu Hoe, collectively. Their respective Offer Shares are as follows:

Offerors	**No. of Offer Shares**	**% of enlarged issued share capital**
Tan Chee Seng	6,245,000	2.80
Lee Miew Lan	13,829,000	6.20
Wong Kum Loong	1,561,000	0.70
Liew Yu Hoe	669,000	0.30
Total	**22,304,000**	**10.00**

Official List	:	A list specifying all securities which have been admitted for listing which have not been removed from the ACE Market
Oracle Corp	:	Oracle Corporation, a multinational corporation based in the United States of America specialising in IT software and solutions covering multiple aspects of business operations and management, such as HCM, enterprise resource planning and supply chain management
OPN	:	Oracle Partner Network
Participating Financial Institutions(s)	:	The participating financial institution(s) for the Electronic Share Application, which is set out in Section 15 of this Prospectus
PAT	:	Profit after taxation

DEFINITIONS *(CONT'D)*

PATAMI	:	Profit after taxation attributable to the owners of our Company
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pembatasan Sosial Berskala Besar or PSBB	:	Large Scale Social Restriction declared by the Government of Indonesia on 2 April 2020
Pink Form Shares	:	The total of 5,600,000 Public Issue Shares of our Company representing 2.51% of the enlarged issued share capital of our Company at the IPO Price to be issued to the eligible Directors, employees and business associates of our Group
Placement Shares	:	38,960,000 IPO Shares made available by way of private placement to selected investors
Pre-IPO Exercise	:	The Acquisition, the Conversion of RCPS and the Subdivision of Shares, collectively
Pre-IPO Investors	:	38 pre-IPO investors comprising business associates of Tan Chee Seng, Lee Miew Lan and our Group, and Related Parties and other parties which subscribed to the Class A RCPS and Class B RCPS, respectively. The pre-IPO investors comprise 25 Class A RCPS holders which have subscribed between 15,000 Class A RCPS to 2,000,000 Class A RCPS and 13 Class B RCPS holders which have subscribed between 30,000 Class B RCPS to 130,000 Class B RCPS
Promoters	:	Tan Chee Seng, Lee Miew Lan and the Related Parties
Prospectus	:	This prospectus dated 22 June 2021
Public Issue	:	The invitation by our Company to the public to subscribe for the Public Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Public Issue Shares	:	The 55,760,000 new Shares, which are the subject of the Public Issue
R&D	:	Research and development
Rams Indonesia	:	PT RAMS Solutions Nusantara (AHU.0010582.AH.01.11.Tahun 2019)
Rams Malaysia	:	RAMS Solutions Sdn Bhd (Registration No. 201001027162 (911081-K))
Rams Singapore	:	Risorsa Umana Solutions Pte Ltd (201020340N)
Rams Thailand	:	RAMS Solutions Co., Ltd (0105558028423)
Rams Vietnam	:	Risorsa Umana Solutions Vietnam Company Limited (0312238022)
Ramssol or Company	:	Ramssol Group Berhad (Registration No. 201901001120 (1310446-A))
Ramssol Group or the Group	:	Ramssol and its subsidiaries, collectively
RCPS	:	Class A RCPS and Class B RCPS, collectively

Record of Depositors	:	A record provided by Bursa Depository to Ramssol under Chapter 34 of the Rules
Related Parties	:	The following holders of Class B RCPS whom are persons connected to Tan Chee Seng or Lee Miew Lan:

Name	**Relationship**	**Number of Class B RCPS**	**Number of Shares upon conversion of Class B RCPS (1) and after Subdivision of Shares (2)**
Tan Eng Hua	Father of Tan Chee Seng	65,000	223,600
Ong Bee Geok	Mother of Tan Chee Seng	65,000	223,600
Tan Chee Boon	Brother of Tan Chee Seng	65,000	223,600
Lee Mun Keong	Father of Lee Miew Lan	65,000	223,600
Chan Kwai Chee	Mother of Lee Miew Lan	65,000	223,600
Lai Wai Fun	Sister-in-law of Lee Miew Lan	130,000	447,200

Notes:

(1) The Class B RCPS has a conversion ratio of 100 Class B RCPS for 8 new Shares

(2) *Subdivision of 1 Share into 43 new Shares on the basis of 43 new Shares for every 1 existing Share each in the Company*

RMCO	:	Recovery MCO
Rules	:	Rules of Bursa Depository
Sage	:	The Sage Group Plc, a multinational technology company that supplies enterprise resource planning software that manages accounting, HR, payroll, payments, assets, real estate and enterprise systems
SC	:	Securities Commission Malaysia
Share(s)	:	Ordinary share(s) in our Company
Smith Zander or IMR	:	Smith Zander International Sdn Bhd (Registration No. 201301028298 (1058128-V)), our independent market researcher
Subdivision of Shares	:	Subdivision of 1 Share into 43 new Shares on the basis of 43 new Shares for every 1 existing Share each in the Company, as set out in Section 5.5.1 of this Prospectus
Subsidiaries	:	Rams Malaysia, Rams Singapore, Rams Vietnam, Rams Thailand, Feets Malaysia, Rams Indonesia, and Feets Indonesia

Underwriting Agreement	:	The underwriting agreement dated 31 May 2021 entered into between our Company and Kenanga IB pursuant to our Listing
Currencies and units		
IDR	:	Indonesia Rupiah, the lawful currency of the Republic of Indonesia
RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
SGD	:	Singapore Dollar, the lawful currency of the Republic of Singapore
THB	:	Thai Baht, the lawful currency of Thailand
USD	:	United States Dollar, the lawful currency of the United States of America
VND	:	Vietnamese Dong, the lawful currency of Vietnam
%	:	Per centum

(The rest of this page is intentionally left blank)

GLOSSARY OF TECHNICAL TERMS

The following technical abbreviations in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Algorithm	:	A procedure or a finite sequence of instructions to be followed in performing calculations and other problem-solving operations
AMS	:	Application maintenance and support
Artificial intelligence or AI	:	A simulation of human intelligence by machines to perform human-like tasks such as problem-solving
Artificial neural network	:	An information processing model that serves as the foundation of AI technology. It is inspired by biological neural networks and is used to process relationships between inputs and outputs to support the AI function
Bitrix24	:	A collaboration platform which provides complete business tools for customer relationship management, social collaboration and communication
Bolt-on modules	:	Third party modules that are integrated and configured to a core system or software
Business process outsourcing or BPO	:	A practice of subcontracting business functions such as accounting, payroll and customer service to be handled by a third party service provider
Cloud-based software	:	A type of software deploying method that enables users to store data on remote servers and access the data via the internet
Configuration	:	A process of managing, linking and arranging functional units or components of a system systematically
Data analytics	:	A process of analysing raw data sets in order to derive insights from the data
Data scientist	:	A professional with technical skills in collecting, analysing and interpreting large amounts of data to solve complex problems and create actionable insights
Feet’s	:	Our in-house employee engagement mobile application
Human Capital Management or HCM	:	Human capital management is a set of practices that transforms the traditional administrative functions of HR departments such as recruiting, training, payroll, compensation and performance management
HCM solutions	:	IT solutions designed for HR management of organisations using HCM software
HR	:	Human resource
ICT	:	Information and Communications Technology
IT	:	Information Technology
Lark	:	A third party collaboration platform

GLOSSARY OF TECHNICAL TERMS *(CONT'D)*

Machine learning	:	An application of AI that allows computer systems to learn and improve automatically from experience without being explicitly programmed
Online ticketing system	:	A system that converts incoming customers' support requests into tickets which helps the customer support team to track, monitor and resolve customers' issues
On-premises software	:	A type of software deploying method whereby the software is installed and operated from a person's or organisation's in-house server and computing infrastructure
Parameter	:	A variable or a set of rules in data analytics and predictive analytics that helps to analyse input data and produce meaningful outcome or predictions
Penetration testing	:	An authorised simulated cyber-attack to check for exploitable vulnerabilities, threats or risks in a computer system, network or web application
Pilot project	:	A small-scale preliminary study conducted to evaluate the viability of a project idea prior to implementation of a full-scale project
Predictive analytics	:	A practice of using statistical techniques to forecast future outcomes based on historical data
Software vendor	:	An individual or organisation that specialises in developing computer software to be used by multiple industries
Student management solutions	:	IT solutions designed for student management of educational institutions using student management software
Troubleshooting	:	A form of problem solving, often applied to identify and fix technical issues found in machines, computers and software systems
User acceptance testing	:	A type of testing conducted by end users to verify and ensure that a software system performs correctly as per the end user's requirements
User interface	:	A space in which interactions between users and computer systems occur
Virtual private network	:	A service that extends a private network across a public network, creating an encrypted connection over the internet which helps to protect and maintain users' online privacy as well as data security
Zoom	:	A third party enterprise unified communications platform

(The rest of this page is intentionally left blank)

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name (Designation)	Address	Nationality	Gender
Dato' CM Vignaesvaran A/L Jeyandran (*Independent Non-Executive Chairman*)	73, Jalan Ainsdale 4/7 (Santai) Bandar Ainsdale 70200 Seremban Negeri Sembilan Darul Khusus	Malaysian	Male
Tan Chee Seng (*Group Managing Director / Chief Executive Officer*)	21, Jalan Perisa 6 Happy Garden Jalan Kuchai Lama 58200 Kuala Lumpur Wilayah Persekutuan (KL)	Malaysian	Male
Lee Miew Lan (*Non-Independent Executive Director / Chief Operating Officer)*	No. 217 PSRN Impian Gemilang Saujana Impian 43000 Kajang Selangor Darul Ehsan	Malaysian	Female
Liew Yu Hoe (*Non-Independent Executive Director / Chief Information Officer)*	20, Jalan Wangsa Budi 6A Wangsa Melawati Setapak 53300 Kuala Lumpur Wilayah Persekutuan (KL)	Malaysian	Male
Goh Keng Tat *(Independent Non-Executive Director)*	14, Jalan Jururancang U1/61B Temasya Suria Glenmarie 40150 Shah Alam Selangor Darul Ehsan	Malaysian	Male
Sim Seng Loong @ Tai Seng *(Independent Non-Executive Director)*	A68 Jalan 24/42 Taman Kok Doh, 51200 Kuala Lumpur Wilayah Persekutuan (KL)	Malaysian	Male

(The rest of this page is intentionally left blank)

1. CORPORATE DIRECTORY *(CONT'D)*

AUDIT COMMITTEE

Name	Designation	Directorship
Sim Seng Loong @ Tai Seng	Chairman	Independent Non-Executive Director
Dato' CM Vignaesvaran A/L Jeyandran	Member	Independent Non-Executive Chairman
Goh Keng Tat	Member	Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Sim Seng Loong @ Tai Seng	Chairman	Independent Non-Executive Director
Dato' CM Vignaesvaran A/L Jeyandran	Member	Independent Non-Executive Chairman
Goh Keng Tat	Member	Independent Non-Executive Director
Tan Chee Seng	Member	Group Managing Director / Chief Executive Officer

REMUNERATION COMMITTEE

Name	Designation	Directorship
Goh Keng Tat	Chairman	Independent Non-Executive Director
Dato' CM Vignaesvaran A/L Jeyandran	Member	Independent Non-Executive Chairman
Sim Seng Loong @ Tai Seng	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Dato' CM Vignaesvaran A/L Jeyandran	Chairman	Independent Non-Executive Chairman
Goh Keng Tat	Member	Independent Non-Executive Director
Sim Seng Loong @ Tai Seng	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(CONT'D)*

COMPANY SECRETARY	:	Ng Sally (MAICSA 7060343) CCM Practicing Certificate No. 202008002702 *(Chartered Secretary, Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators)* TMF Administrative Services Malaysia Sdn. Bhd. 10th Floor, Menara Hap Seng No. 1 & 3, Jalan P. Ramlee 50250 Kuala Lumpur Wilayah Persekutuan (KL) Malaysia Telephone No: : (603) 2382 4288 Facsimile No. : (603) 2382 4170
REGISTERED OFFICE	:	10th Floor, Menara Hap Seng No. 1 & 3, Jalan P. Ramlee 50250 Kuala Lumpur Wilayah Persekutuan (KL) Malaysia Telephone No : (603) 2382 4288 Facsimile No. : (603) 2382 4170
HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS	:	B-04-05, Tamarind Square Persiaran Multimedia, Cyber 10 63000 Cyberjaya Selangor Darul Ehsan Malaysia Telephone No : (603) 8800 6611 Email : enquiry@ramssolgroup.com Website : www.ramssolgroup.com
PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	:	Kenanga Investment Bank Berhad Level 17, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan (KL) Malaysia Telephone No : (603) 2172 2888 Facsimile No. : (603) 2172 2999

1. CORPORATE DIRECTORY *(CONT'D)*

AUDITORS AND REPORTING ACCOUNTANTS	:	Crowe Malaysia PLT 201906000005 (LLP0018817-LCA) & AF 1018 Level 16, Tower C Megan Avenue II No. 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Wilayah Persekutuan (KL) Malaysia Telephone No : (603) 2788 9999 Facsimile No. : (603) 2788 9998 Partner-in-charge : Ho Yen Ling Professional qualification: 1. Member of Malaysian Institute of Accountant ("MIA") (MIA membership no. CA 33989) 2. Fellow of Association of Chartered Certified Accountants
SOLICITORS	:	Chooi & Company + Cheang & Ariff CCA @ Bangsar Level 5, Menara BRDB 285, Jalan Maarof Bukit Bandaraya 59000 Kuala Lumpur Wilayah Persekutuan (KL) Malaysia Telephone No. : (603) 2055 3888 Facsimile No. : (603) 2055 3880
INDEPENDENT MARKET RESEARCHER	:	Smith Zander International Sdn Bhd 15-01, Level 15, Menara MBMR 1, Jalan Syed Putra 58000 Kuala Lumpur Wilayah Persekutuan (KL) Malaysia Telephone No : (603) 2732 7537 Managing Partner : Dennis Tan Tze Wen Qualification : Bachelor of Science Memorial University of Newfoundland, Canada
ISSUING HOUSE AND SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan (KL) Malaysia
LISTING SOUGHT	:	ACE Market of Bursa Securities

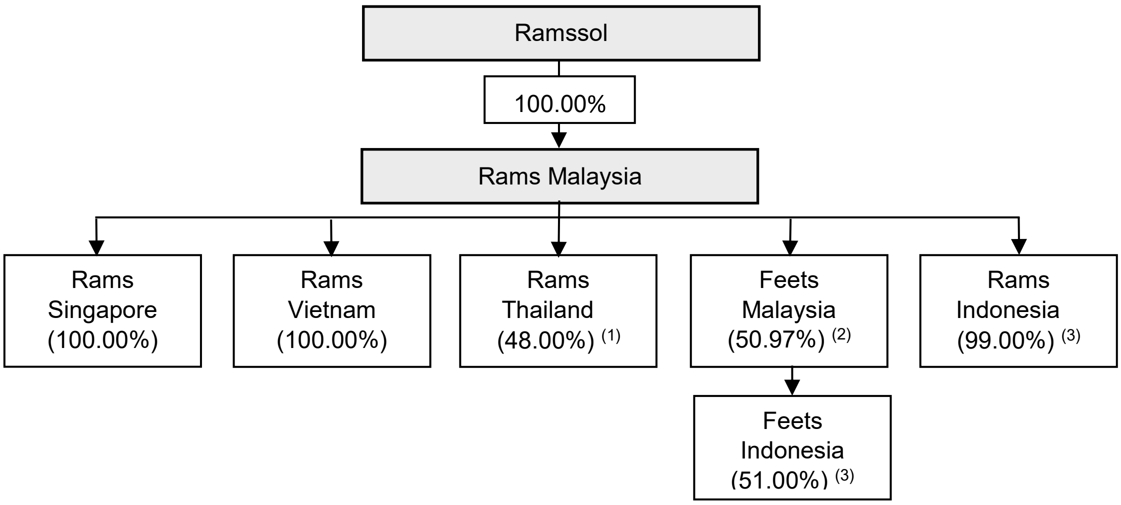
2. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

2.1 OVERVIEW

Our Company was incorporated in Malaysia on 10 January 2019 under the Act as a private limited company under the name of Ramssol Group Sdn Bhd. We subsequently converted to a public limited company on 22 September 2020 to facilitate our Listing.

Our Group was formed on 17 May 2021 pursuant to the completion of the Acquisition and Rams Malaysia became a wholly-owned subsidiary of our Company. Our Group structure upon Listing is as follows:



Notes:

(1) The remaining equity interest in Rams Thailand is held by Tan Chee Seng by way of ordinary shares (1%) and Narathip Phopikul, a Thai national who is also the financial controller of Rams Thailand, by way of preference shares (51%). However, due to differing dividend rights based on Article 6 of the Articles of Association of Rams Thailand and the assignment of Tan Chee Seng's right to dividend in Rams Thailand to Rams Malaysia, the effective equity interest of Rams Malaysia in Rams Thailand is 99.90%. We have obtained legal opinion from a legal counsel in Thailand in respect of the legality of the shareholding arrangement, differing dividend right for different classes of shares, assignment of dividends between the shareholders of Rams Thailand, and the existence of anti-fronting laws with respect to the laws of Thailand. Based on the opinion as provided, there are no specific anti-fronting laws in Thailand and the shareholding arrangement, differing dividend rights and assignment of dividends between the shareholders of Rams Thailand are compliant under the laws of Thailand. Please refer to Section 5.2 of this Prospectus for further details on the opinion provided by the Thai legal counsel.

(2) The remaining ordinary shares are held by Wong Kum Loong (46.03%), our substantial shareholder, and Nekhat Sultana Binti Tarique Azam (3.00%), a Malaysian national. Wong Kum Loong became a substantial shareholder of Feets Malaysia on 2 June 2020 as he saw potential growth in the employee engagement mobile application, Feet's. The equity participation of Wong Kum Loong is an opportunity for Feets Malaysia to obtain financial support by way of additional equity injection, if required, for the working capital requirements of Feet's and to expand the business of Feet's through his business network in Indonesia. As for Nekhat Sultana Binti Tarique Azam, she played an advisory role for Feet's in areas of animation, user experience and visual effects at the development stage of Feet's. Currently, she is no longer involved in her advisory capacity.

(3) The remaining ordinary shares is held by Ivana S., an Indonesian national. As a local, her connection and understanding of the Indonesian market are important to the planning and sales strategies of the Group's product and services in Indonesia.

Our Company is an investment holding company. The principal activities of our subsidiaries are as follows:

Company	Principal activities
Rams Malaysia	Business of software development and advisory
Rams Singapore	Provision of human resource consultancy services to corporate clients
Rams Vietnam	Provision of management consulting services for enterprises
Rams Thailand	Provision of information technology consultancy services

Feets Malaysia	Provision of internet related services in relation to the business of mobile application, electronic commerce, information systems integration and administration; provision of computer programming activities; provision of research and development on ICT
Rams Indonesia	Provision of management consulting services for enterprises
Feets Indonesia	Provision of internet related services in relation to the business of mobile application, electronic commerce, information systems integration and administration; provision of computer programming activities; provision of research and development on ICT

Further details of our subsidiaries are set out in Section 5.4 of this Prospectus.

2.2 SUMMARY OF OUR BUSINESS

Our business model is depicted as follows:

Ramssol Group			
Principal business activities	Provision of HCM and student management solutions	Provision of IT staff augmentation services (1)	Provision of HCM technology applications (2)
Our expertise	- Consulting and implementation - Sale of software licences - Technical support and maintenance services	Recruit and supply suitable IT professionals for a fixed contractual period	- Development of in-house employee engagement mobile application, Feet's - Distribution of third party collaboration platform, Lark - Provision of IT-related training - Reselling of third party enterprise unified communications platform, Zoom
Our customers	- Organisations, i.e. business organisations and government agencies (end-users) - Educational institutions (end-users) - Software vendors - Third party solution providers	- Business organisations	- Business organisations (Feet's, Lark and Zoom) - Educational institutions (IT-related training)
Our principal markets	- Malaysia - Singapore - Thailand - Indonesia - Vietnam	- Malaysia - Singapore	- Malaysia (Feet's, Lark, IT-related training and Zoom) - Singapore (Zoom) - Thailand (Zoom) - Indonesia (Feet's and Zoom) - Vietnam (Zoom)

Notes:

(1) Revenue from the provision of IT staff augmentation is currently derived from Malaysia and Singapore. However, this service can be extended to Thailand and Indonesia, depending on the customers' requests.

*(2) Feets is currently offered in Malaysia and Indonesia only, while Lark is currently offered in Malaysia. However, Feet's can be offered to other countries which we have business presence in, such as Singapore, Thailand and Vietnam; while Lark can also be offered to Thailand, Indonesia and Vietnam. Our Group does not intend to resell Lark in Singapore as our principal, Lark Technologies Pte Ltd is based in Singapore and organisations that are interested in signing up Lark would approach Lark Technologies Pte Ltd directly. IT-related training is currently provided to unemployed Malaysians through Megatech Education Sdn Bhd ("**Megatech**"), an educational institution in Malaysia. Zoom is currently offered in all countries which we have business presence in, namely Malaysia, Singapore, Thailand, Indonesia and Vietnam.*

2.2.1 Business activities

Our business activities are as follows:

(i) HCM and student management solutions

We provide HCM and student management solutions to large organisations and educational institutions that are designed to manage employees and students respectively. The HCM and student management solutions aims to improve the efficiency of workforce management functions of organisations and student management functions of educational institutions, respectively. Our Group's expertise in the provision of HCM and student management solutions comprise the following:

(a) Consulting and implementation

Consulting: understanding an organisation's HR practices through a user requirement study, designing HR workflow processes and solutions to address the organisation's HR issues, and proposing an optimised HCM solution to the organisation

Implementation: software customisation, configuration and deployment

(b) Sale of software licences

Our Group is involved in the sale of third party software licences where we purchase software licences from software vendors on wholesale basis and resell them to our customers based on number of software licences, as and when required based on projects awarded, with a percentage mark-up.

(c) Technical support and maintenance services

Our Group provides technical support and maintenance services to organisations and educational institutions as part of our after-sales services following consulting and implementation of HCM and student management solutions.

(ii) IT staff augmentation services

We recruit and supply IT professionals to our customers, for their internal IT projects and / or to meet their IT operational needs, on fixed contractual periods. The customers for our IT staff augmentation services are business organisations, primarily enterprises, MNCs and conglomerates.

(iii) HCM technology applications

(a) Feet's

We have an employee engagement mobile application called Feet's which was developed in-house and launched in Malaysia in March 2019 and Indonesia in October 2019. Feet's promotes and modernises communications between employees through built-in functions such as forums, peer recognition tools, suggestion platforms and event collaboration platform.

(b) Lark

We sell a third party collaboration platform called Lark for the Asia Pacific region (including Japan and excluding Mainland China). Lark is a single online collaboration platform for business use that seamlessly interconnects multiple communication functions as well as other work-related functions.

(c) IT-related training

The IT-related training provided by Rams Malaysia focuses on office automation which involves digitalisation of business operations using computer software to enhance the efficiency of business processes.

(d) Zoom

We resell or refer Zoom, an enterprise unified communications platform that offers virtual meeting functions between gadgets (i.e. computers and / or mobile devices), for Asia Pacific region (excluding People's Republic of China).

Further details of our business activities are set out in Section 6.3 of this Prospectus.

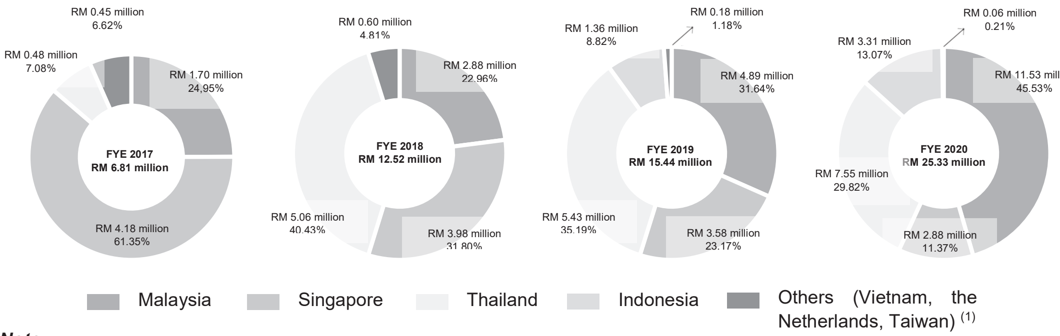
2.2.2 Revenue segmentation

In the past 4 FYEs 2017 to 2020, our Group's revenue was mainly generated from Malaysia, Singapore and Thailand with collective revenue contribution from these 3 countries at 93.38%, 95.19%, 90.00% and 86.72% respectively. In the past 4 FYEs 2017 to 2020, our Group's revenue was mainly generated from provision of HCM and student management solutions with revenue contribution at 82.42%, 81.34%, 91.14% and 60.59% respectively.

Our revenue segmentation by geographical location and business activities for the Financial Years Under Review are summarised in the following diagrams:

2. PROSPECTUS SUMMARY *(CONT'D)*

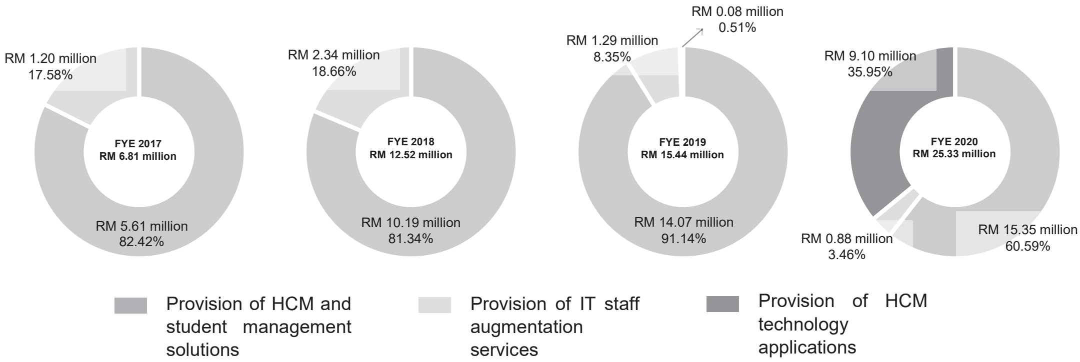
Geographical location



Note:

(1) We do not have business presence in the Netherlands and Taiwan.

Business activities



Further details of our revenue segmentation are set out in Section 6.4 and Section 12.3.2.1 of this Prospectus.

2.3 IMPACT OF COVID-19

On 11 March 2020, COVID-19 virus, also known as the novel coronavirus was declared a worldwide pandemic by the World Health Organisation. In Malaysia, the government announced the MCO, effective 18 March 2020 to 3 May 2020. Further, a CMCO was imposed between 4 May 2020 and 9 June 2020, and a RMCO was imposed between 10 June 2020 and 31 August 2020 and subsequently extended to 31 March 2021. However, due to a resurgence in COVID-19 cases in Malaysia, the Government had re-imposed the CMCO and MCO in certain states and federal territories in Malaysia for different durations since October 2020 until 11 May 2021. Beginning 12 May 2021 to 31 May 2021, the Government re-imposed the MCO nationwide (except for Sabah, Sarawak and Labuan which the restrictions were decided by the respective state / federal governments). Based on latest available information, Malaysia is placed under phase 1 of total lockdown from 1 June 2021 to 28 June 2021. Selangor, in which our headquarters is located at, was subject to the re-imposed CMCO from 14 October 2020 to 12 January 2021, re-imposed MCO from 13 January 2021 to 4 March 2021, re-imposed CMCO from 5 March 2021 to 5 May 2021, re-imposed MCO from 6 May 2021 to 31 May 2021 and phase 1 of total lockdown from 1 June 2021 to 28 June 2021. Since 18 March 2020, we faced several rounds of office closure and reopening, depending on the degrees of movement restrictions and standard operating procedures imposed.

In the countries where we operate such as Malaysia, Singapore, Thailand, Indonesia and Vietnam, the respective governments in these countries have announced and imposed mandatory nationwide curfew and travel bans. In view of the lockdown and / or social distancing measures imposed in the respective countries, the business operations of our Group and the majority of our customers were affected as the lockdown and / or social distancing measures imposed had prohibited our consultants from continuing the implementation works for our HCM and student management solution projects at our customers' premises. While our consultants continued to work from home to ensure the continuation of project implementation, certain parts of our work were restricted such as physical sighting of confidential documents, delays in extract of information required from our customers, which caused slight delays to our project delivery schedule.

Due to the mandatory nationwide curfew and travel bans imposed by the Governments of the relevant countries which the Group operates as a result of COVID-19, we have entered into an agreement with a client in Indonesia to defer the implementation of HCM solution for 2 months. There was no financial impact in FYE 2020 for deferment of implementation as we have already billed this customer the full amount of project value at the project commencement and this customer has fulfilled the payment accordingly. Additionally, in April 2021, we also experienced a slight delay in user acceptance testing for a project in Indonesia due to the COVID-19 pandemic, thereby affecting the sign-off and estimated completion date. Although this has slightly affected our billing schedule, it is not expected to significantly affect our financial performance for FYE 2021 as the customer sign-off is expected to be received by June 2021.

Further, a client in Singapore has restructured its outstanding payment into a 6-month repayment until December 2020 and was further extended to March 2021. The payment has since been fully paid according to the revised timeline. Nevertheless, save for the delay in collection of receivables, revenue recognition from this customer will not be affected. Nevertheless, there was minimal financial impact in FYE 2020 for restructuring of payment as it was fully settled in March 2021. For the remaining HCM projects, we managed to catch up on the timeline once the economy was re-opened and there was no financial impact to the Group for FYE 2020. There also has been no impact to our operations in Malaysia arising from the re-imposition of the CMCO and MCO since October 2020 as well as phase 1 of total lockdown from 1 June 2021 to 28 June 2021. Nevertheless, there is no assurance that a prolonged COVID-19 pandemic and its effects which include mandatory nationwide curfew and travel bans will not adversely affect our operations and financial performance in Malaysia and other countries in which the Group operates. The provision of our technical support and maintenance services was not affected as our services can be provided off-site.

Our IT staff augmentation business was also affected by the COVID-19 pandemic as the economic impact of the COVID-19 pandemic have adversely affected the financial positions of many organisations which resulted in tighter budget. Organisations are more cautious in their spending moving forward and prioritise resources in recovering their sales performance and financial position after the crisis ends.

The COVID-19 pandemic has also affected our sales and marketing activities for HCM technology applications in the countries where we provide such offerings as we are unable to carry out roadshows, attend exhibitions and seminars to market our HCM technology applications, due to the lockdown and / or social distancing measures. Nonetheless, our sales and marketing team continue to actively market these HCM technology applications through online channels.

Further details on the impact of COVID-19 on our business, financial performance and profitability are set out in Sections 6.15 and 8.1.4 of this Prospectus.

2.4 SUMMARY OF RISK FACTORS

Our business is subject to a number of risk factors, many of which are outside our control. Before investing in our Shares, you should carefully consider, along with the other matters set out in this Prospectus, the risk factors (which may not be exhaustive) as set out in Section 8.

The following are some of the key risks that we are currently facing or that may occur in the future:

(i) We are dependent on software vendors for the implementation of HCM and student management solutions as well as for the reselling of Lark

We are a HCM solution and technology specialist involved in the provision of HCM and student management solutions using third party software developed by software vendors. As we do not develop our own software, we are dependent on software vendors to implement HCM and student management solutions.

Under our HCM technology applications, we are also dependent on our software vendor (i.e. Lark Technologies Pte Ltd) for our sale of Lark. If there are any changes in Lark Technologies Pte Ltd's business direction that results in the ceasing of our rights to resell, our subsidiary i.e. Rams Malaysia will not be able to resell Lark and secure new subscriptions, and our ongoing Lark subscriptions may also be affected.

(ii) We are dependent on our Directors and key senior management team for continued success and growth of our business

The growth and future success of our Group is largely dependent on the continuous contribution from our Chief Executive Officer, Tan Chee Seng and our Chief Operating Officer, Lee Miew Lan. Further, we are dependent on the continued service of our key senior management personnel who possess the relevant knowledge in their respective fields of work to ensure smooth operation of our business.

As such, the loss of any of our Directors and key senior management simultaneously or within a short period may create unfavourable impact on our Group's operations and the future growth of our business.

(iii) We are dependent on our team of consultants for the provision of HCM and student management solutions

Our consultants are our Group's main assets in our HCM and student management solutions business. Our ability to retain and also to attract competent and skilled consultants is crucial for our continued success, future business growth and expansion. Any loss of our consultants and our inability to find suitable replacements in a timely manner may cause disruptions to our project deliverables.

(iv) The project-based and contract-based nature of our business and the timing of delivery may lead to fluctuations in our Group's revenue, profit and operating cash flow

The provision of our HCM and student management solutions, particularly the consulting and implementation of solutions, are carried out on a project basis. Our revenue from delivery of services is recognised upon issuance of invoices based on project delivery milestones over the tenure of the projects. As such, the timing of project delivery will affect our billing schedule which will in turn affect our revenue recognition, and may cause our profit and operating cash flow to fluctuate.

(v) Our business and operations are exposed to sudden disruptions caused by serious pandemic and epidemic outbreaks

In view of the MCO and the CMCO, the business operations of our Group and the majority of our customers in Malaysia were affected. Further, our operations in Singapore, Thailand and Indonesia were also affected by the mandatory social distancing measures and / or lockdowns imposed by the respective governments in these countries.

(vi) We may not be able to successfully implement our business strategies

There can be no assurance that the effort and expenditures spent on the implementation of our business strategies will yield expected results in growing our business in terms of financial performance and market presence. We are not able to guarantee that we will be successful in executing our business strategies, nor can we assure that we will be able to anticipate all the business, operational and industry risks arising from our business strategies. Such failure may lead to adverse effect on our business operations and financial performance.

2.5 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We have a proven project track record involving large organisations in multiple countries across multiple industries

Since the commencement of our business in 2011, we have provided HCM and student management solutions to many notable local and foreign organisations including large enterprises, GLCs, MNCs, conglomerates and government agencies, as well as educational institutions in Southeast Asia. These end-users may have businesses across multiple industries and / or presence in multiple countries. Besides the countries in which we have presence, our Group has also been involved in HCM solution projects in the Philippines, Taiwan, Hong Kong, Japan, Australia and New Zealand, as some of our existing customers have offices or projects in these countries and we were engaged by these customers to extend the coverage of our HCM solutions to these countries.

(ii) We have regional presence in Southeast Asia with robust knowledge of local organisational dynamics and strong understanding of local employment laws

Our Group is headquartered in Malaysia and we have offices across 4 other countries in Southeast Asia, namely Singapore, Thailand, Indonesia and Vietnam. Our consultants based in each country have knowledge and understanding of local organisational dynamics as well as local employment laws in their respective countries. They also keep abreast with, and/or are notified of, any changes to the local employment laws in a timely manner, which will enable us to deliver localised and up-to-date HCM solutions to meet local organisational needs. Our Group's regional presence in Malaysia, Singapore, Thailand, Indonesia and Vietnam provides our customers with the assurance that local support is available when needed. Further, our regional presence in these countries also serves as a platform to support our business expansion.

(iii) Our experience and knowledge in HR enable us to enhance the efficiency of an organisation's HR functions using our suite of HCM solutions and technology

With around 10 years of experience in the HCM solutions and technology business, our Group has accumulated relevant HR knowledge to assist organisations in streamlining and enhancing their HR functions using HCM solutions. Our experience and knowledge in HR have also facilitated our expansion into IT staff augmentation services, as our presence in the HCM solutions industry has allowed us to develop a network of local and foreign IT talents. Further, our experience and knowledge in HR have also led to the development of our in-house employee engagement mobile application named Feet's and the extension of our suite of HCM offerings to include Lark, a third party collaboration platform.

(iv) We have an experienced key senior management team

Our key senior management team possesses in-depth industry knowledge, technical know-how and experience in HCM technology and solutions. Our Chief Executive Officer, Tan Chee Seng and our Chief Operating Officer, Lee Miew Lan have over 15 years and over 21 years of experience in the consulting and implementation of HCM solutions, respectively. They have contributed significantly to our Group's historical expansion, and will continue to play pivotal roles in our Group's future growth.

Further details of our competitive strengths are set out in Section 6.5 of this Prospectus.

2.6 BUSINESS STRATEGIES AND FUTURE PLANS

Our Group intends to undertake the following business strategies:

(i) to enlarge our regional presence in Southeast Asia by expanding into the Philippines;
(ii) to expand the presence and subscriber base of Feet's and Lark in Southeast Asia;
(iii) to enhance our R&D activities primarily for the enhancement of Feet's and development of bolt-on modules for our HCM solutions;
(iv) to expand our IT staff augmentation business;
(v) to increase the sale of software licences from large organisations; and
(vi) to continue to expand our IT-related training business.

Further details of our business strategies and future plans are set out in Section 6.6 of this Prospectus.

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

As at the LPD, our Directors and key senior management are as follows:

Name	Designation
Directors	
Dato' CM Vignaesvaran A/L Jeyandran	Independent Non-Executive Chairman
Tan Chee Seng	Group Managing Director
Lee Miew Lan	Non-Independent Executive Director
Liew Yu Hoe	Non-Independent Executive Director
Goh Keng Tat	Independent Non-Executive Director
Sim Seng Loong @ Tai Seng	Independent Non-Executive Director
Key senior management	
Tan Chee Seng	Chief Executive Officer
Lee Miew Lan	Chief Operating Officer
Liew Yu Hoe	Chief Information Officer
Soh Meng Siit	Chief Financial Officer

Further details of our Directors and key senior management are set out in Section 4 of this Prospectus.

2. PROSPECTUS SUMMARY *(CONT'D)*

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS OF OUR GROUP

The details of our Promoters and / or substantial shareholders, and their respective shareholdings in our Company before and after the IPO are as follows:

		As at the LPD and before our IPO (1)				After our IPO (2)			
		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)
Promoters and substantial shareholders									
Tan Chee Seng	Malaysian	80,430,597	48.08	-	-	74,185,597	33.26	-	-
Lee Miew Lan	Malaysian	53,620,398	32.05	-	-	39,791,398	17.84	-	-
Promoters / Related Parties									
Tan Eng Hua	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Ong Bee Geok	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Tan Chee Boon	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Lee Mun Keong	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Chan Kwai Chee	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Lai Wai Fun	Singaporean	447,200	0.27	-	-	447,200	0.20	-	-
Substantial shareholders									
Wong Kum Loong	Malaysian	10,414,600	6.23	-	-	8,853,600	3.97	-	-
Tan Sri Dr Lim Wee Chai	Malaysian	8,600,000	(4) 5.14	-	-	8,600,000	3.86	-	-

Notes:

(1) Based on the issued share capital of 167,291,500 Shares upon the completion of the Acquisition, Conversion of RCPS and Subdivision of Shares.
(2) Based on the enlarged issued share capital of 223,051,500 Shares upon our IPO.
(3) Holders of Class B RCPS whom are persons connected to Tan Chee Seng or Lee Miew Lan, details of which are set out in the Definitions section of this Prospectus.
(4) Tan Sri Dr Lim Wee Chai became a substantial shareholder of our Company upon Conversion of RCPS. However, he will not be a substantial shareholder after our IPO.

Further details of our Promoters, substantial shareholders and their shareholdings in our Company as well as moratorium imposed on their Shares are set out in Sections 4 and 11.2 of this Prospectus.

2.9 FINANCIAL HIGHLIGHTS

The following table sets out a summary of the combined financial information of our Group for the Financial Years Under Review.

	Audited			
Combined statements of profit or loss and other comprehensive income	**FYE 2017 RM'000**	**FYE 2018 RM'000**	**FYE 2019 RM'000**	**FYE 2020 RM'000**
Revenue	6,808	12,523	15,439	25,331
GP	3,243	4,502	7,680	15,340
Profit from operations	302	405	3,965	7,858
PBT	112	226	3,828	7,415
PAT attributable to:				
- Owners of the Company	88	177	4,494	7,533
- Non-controlling interests	-	-	(694)	(533)
	88	**177**	**3,800**	**7,000**

2. PROSPECTUS SUMMARY *(CONT'D)*

Combined statements of cash flows	Audited FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000
Net cash (for) / from operating activities	(369)	1,093	7,140	1,711
Net cash from / (for) investing activities	231	(385)	(1,771)	(903)
Net cash for financing activities	(519)	(651)	(2,015)	(1,788)
Net (decrease) / increase in cash and cash equivalents	**(657)**	**57**	**3,354**	**(980)**
Effects of foreign exchange translation	**(21)**	**(7)**	**37**	**(59)**
Cash and cash equivalents at beginning of the financial year	**512**	**(166)**	**(116)**	**3,275**
Cash and cash equivalents at end of the financial year	**(166)**	**(116)**	**3,275**	**2,236**

Other selected financial information	FYE 2017	FYE 2018	FYE 2019	FYE 2020
EBITDA [(1)]	660	750	4,408	8,321
GP margin (%) [(2)]	47.64	35.95	49.74	60.56
PBT margin (%) [(3)]	1.65	1.80	24.79	29.27
PATAMI margin (%) [(4)]	1.29	1.41	29.11	29.74

Notes:

(1) EBITDA is computed as the sum of profit from operations before depreciation charges.
(2) GP margin is computed based on GP over revenue.
(3) PBT margin is computed based on PBT over revenue.
(4) PATAMI margin is computed based on PATAMI over revenue.

Further details of our Group's financial information are set out in Section 12 of this Prospectus.

2.10 PARTICULARS OF OUR IPO

2.10.1 Allocation

Our IPO is subject to the terms and conditions of this Prospectus and the allocation of our IPO Shares shall be in the following manner:

	Public Issue Shares		Offer Shares		Total	
	No. of Shares	**[(1)] %**	**No. of Shares**	**[(1)] %**	**No. of Shares**	**[(1)] %**
Retail offering						
- Malaysian Public (via balloting) [(2)]	11,200,000	5.02	-	-	11,200,000	5.02
- Eligible Persons	5,600,000	2.51	-	-	5,600,000	2.51
Private placement						
- Selected investors	38,960,000	17.47	22,304,000	10.00	61,264,000	27.47
Total	**55,760,000**	**25.00**	**22,304,000**	**10.00**	**78,064,000**	**35.00**

Notes:

(1) Based on the enlarged issued share capital of 223,051,500 Shares after our IPO.
(2) At least 50% of the balloting Shares shall be set aside for Bumiputera individuals, companies, co-operatives, societies and institutions.

2.10.2 The principal statistics of our IPO

	No. of Shares
Share Capital	
Issued share capital as at the date of this Prospectus	167,291,500
Shares to be issued pursuant to the Public Issue	55,760,000
Enlarged issued share capital upon Listing	223,051,500
IPO Price per Share	RM0.45
Market capitalisation upon Listing based on the IPO Price	RM100,373,175
Pro forma NA based on the Pro Forma Statements of Financial Position as at 31 December 2020 (RM'000) (1)	8,822
Pro forma NA (after Public Issue) (RM'000) (1)	23,776
Pro forma NA per share (after Public Issue) (1)	0.11

Note:

(1) The pro forma NA is the portion attributable to the owners of the Company. Further details of the pro forma NA are set out in Section 12.1 of this Prospectus.

Further details of our IPO are set out in Section 3 of this Prospectus.

2.11 UTILISATION OF PROCEEDS

Based on the IPO Price of RM0.45, the total gross proceeds of RM25,092,000 from the Public Issue will be utilised by our Group in the following manner:

Description of utilisation	Amount of proceeds		Estimated timeframe for utilisation upon Listing
	(RM '000)	%	
Business expansion into the Philippines	2,503	9.98	Within 24 months
Expansion of Feet's and Lark in Southeast Asia	6,348	25.30	Within 24 months
R&D expenditure	4,101	16.34	Within 24 months
Working capital			
(i) Expansion of IT staff augmentation service business	787	3.14	Within 24 months
(ii) Expansion of the sale of software licences	2,252	8.97	Within 24 months
(iii) General working capital	4,521	18.02	Within 24 months
Listing expenses	4,580	18.25	Within 1 month
Total Public Issue proceeds	**25,092**	**100.00**	

Further details on the utilisation of proceeds are set out in Section 3.8 of this Prospectus.

2.12 DIVIDEND POLICY

Our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profit recorded and excess of funds not required to be retained for working capital of our business. Our Group does not have any intention to declare dividends for the FYE 2020.

Further information of our dividend policy is set out in Section 12.5 of this Prospectus.

3. DETAILS OF OUR IPO

3.1 OPENING AND CLOSING OF APPLICATIONS

Application for our IPO Shares will open at 10.00 a.m. on 22 June 2021 and will remain open until 5.00 p.m. on 29 June 2021.

Late applications will not be accepted.

3.2 INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

Event	Indicative Date
Opening of application for our IPO	22 June 2021
Closing of application for our IPO	29 June 2021
Balloting of Application	2 July 2021
Allotment of IPO Shares to successful applicants	9 July 2021
Listing on the ACE Market	13 July 2021

In the event there is any change to the timetable, we will advertise a notice of change in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

3.3 PARTICULARS OF OUR IPO

The Public Issue of 55,760,000 new Shares and Offer for Sale of 22,304,000 Shares are issued / offered at the IPO Price payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:

3.3.1 Public Issue

The Public Issue of 55,760,000 Shares at the IPO Price representing approximately 25.00% of our enlarged issued share capital will be made available for Application in the following manner:

(i) Malaysian Public (via balloting)

11,200,000 Public Issue Shares, representing approximately 5.02% of our enlarged issued share capital will be made available for application by the Malaysian Public through a balloting process, of which 50.00% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Eligible Directors, employees and business associates of our Group

5,600,000 Public Issue Shares, representing approximately 2.51% of our enlarged issued share capital will be made available for application by eligible Directors, employees and business associates of our Group.

The Pink Form Shares will be allocated to eligible Directors and employees of our Group based on the following criteria as approved by our Board:

(a) the eligible employee must be a full time and confirmed employee of our Group;

(b) the eligible employee must be on our Group's payroll;

(c) seniority and position;

(d) length of service;

(e) past performance and respective contribution made to our Group; and

(f) the eligible employee must be at least 18 years of age.

The Pink Form Shares to be allocated to the business associates of our Group will take into consideration their contribution to the success of our Group. Their allocations are based on, among others, their level of contributions to our Group and length of their respective relationships. The persons who have contributed to the success of our Group include, among others, suppliers and customers.

Details of the Pink Form Shares allocation to our eligible Directors, key senior management, employees and business associates of our Group are as follows:

	Number of Persons	**Pink Form Shares Allocation**
Directors	3	750,000
Key senior management	1	1,400,000
Employees	11	2,850,000
Business associates	2	600,000
		5,600,000

The Directors and key senior management of our Company are entitled for the Pink Form Shares as follows:

Name of Directors and key senior management	**Designation**	**No. of Shares**
Dato' CM Vignaesvaran A/L Jeyandran	*Independent Non-Executive Chairman*	250,000
Goh Keng Tat	*Independent Non-Executive Director*	250,000
Sim Seng Loong @ Tai Seng	*Independent Non-Executive Director*	250,000
Soh Meng Siit	*Chief Financial Officer*	1,400,000
		2,150,000

Save for the allocation made available for Application as disclosed in Section 3.3.1(ii), our Company is not aware as to whether any of our substantial shareholders, Directors or key senior management have the intention to subscribe for our IPO Shares allocated under Section 3.3.1(i) for the Malaysian Public. Our Company is also not aware as to whether there is any person intending to subscribe for more than 5.00% of our IPO Shares allocated under the Section 3.3.1(i) for the Malaysian Public.

(iii) Private placement to selected investors

38,960,000 Public Issue Shares, representing approximately 17.47% of our enlarged issued share capital will be made available by way of private placement to selected investors.

On 10 November 2014, Rams Malaysia (a wholly-owned subsidiary of our Company) has obtained MSC status, details of which are set out in Section 6.20 of this Prospectus. However, upon evaluation of its contribution to our Group's profitability, business and operations, our Company is not eligible to be exempted from the SC's Bumiputera equity requirement for public listed companies. Therefore, our Company shall comply with the SC's Bumiputera equity requirement for public listed companies within 1 year after achieving the profit record required for listing on the Main Market of Bursa Securities, or 5 years after being listed on the ACE market, whichever is the earlier.

3.3.2 Offer for Sale

Concurrent with the Public Issue, the Offerors will offer 22,304,000 Offer Shares representing approximately 10.00% of our enlarged issued share capital by way of private placement to selected investors. The Offer Shares to be offered by each Offeror and their respective shareholdings in our Company before and after our IPO are as follows:

			Shareholdings before IPO		Offer for Sale			Shareholdings after IPO	
Name	**Residential address**	**Position / Relationship with our Group**	**No. of Shares**	**(1) %**	**No. of Shares**	**(1) % Before IPO**	**(2) % After IPO**	**No. of Shares**	**(2) %**
Tan Chee Seng	21, Jalan Perisa 6 Happy Garden Jalan Kuchai Lama 58200 Kuala Lumpur Wilayah Persekutuan (KL)	Promoter, Director, substantial shareholder and key senior management	80,430,597	48.08	6,245,000	3.73	2.80	74,185,597	33.26
Lee Miew Lan	No. 217, PSRN Impian Gemilang Saujana Impian 43000 Kajang Selangor Darul Ehsan	Promoter, Director, substantial shareholder and key senior management	53,620,398	32.05	13,829,000	8.27	6.20	39,791,398	17.84
Wong Kum Loong	86, Jalan Taman Seputeh, 58000 Kuala Lumpur Wilayah Persekutuan (KL)	Substantial shareholder	10,414,600	6.23	1,561,000	0.93	0.70	8,853,600	3.97
Liew Yu Hoe	20, Jalan Wangsa Budi 6A Wangsa Melawati, Setapak 53300 Kuala Lumpur Wilayah Persekutuan (KL)	Director and key senior management	4,314,405	2.58	669,000	0.40	0.30	3,645,405	1.63
Total			**148,780,000**	**88.93**	**22,304,000**	**13.33**	**10.00**	**126,476,000**	**56.70**

3. DETAILS OF OUR IPO *(CONT'D)*

Notes:

(1) Based on the issued share capital of 167,291,500 Shares before our IPO.

(2) Based on the enlarged issued share capital of 223,051,500 Shares after our IPO.

Upon completion of our IPO, our Company's entire enlarged issued share capital of RM29,322,234 comprising 223,051,500 Shares shall be listed on the ACE Market.

(The rest of this page is intentionally left blank)

3.3.3 Underwriting arrangement and allocation of our IPO Shares

In summary, our IPO Shares will be allocated in the following manner:

	Public Issue Shares		Offer Shares		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Retail Offering						
-Malaysian Public (via balloting)	11,200,000	5.02	-	-	11,200,000	5.02
-Eligible Directors, employees and business associates of our Group	5,600,000	2.51	-	-	5,600,000	2.51
Private Placement						
-Selected investors	38,960,000	17.47	22,304,000	10.00	61,264,000	27.47
Total	**55,760,000**	**25.00**	**22,304,000**	**10.00**	**78,064,000**	**35.00**

The 11,200,000 Public Issue Shares made available for application by the Malaysian Public (via balloting) and the 5,600,000 Pink Form Shares made available to the Eligible Persons under Sections 3.3.1(i) and 3.3.1(ii) respectively are fully underwritten by our Underwriter.

All the 61,264,000 IPO Shares made available to identified investors by way of private placement under Sections 3.3.1(iii) and 3.3.2 are not underwritten. Irrevocable undertakings will be obtained from the identified investors to subscribe for our IPO Shares available under the private placement.

Any unsubscribed Pink Form Shares will be re-offered to our Group's business associates before being re-allocated to the Malaysian Public and / or identified investors by way of private placement. Any unsubscribed Public Issue Shares by the Malaysian Public will be made available for application by way of private placement to identified investors and vice versa.

The allocation of our IPO Shares shall be on a fair and equitable manner and shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view:

(i) to broaden our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities; and

(ii) to establish a liquid market for our Shares.

There is no minimum subscription amount to be raised from our IPO. All our IPO Shares are either subscribed by the identified investors, pursuant to their irrevocable undertakings or fully underwritten by our Underwriter. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or "greenshoe" option.

The salient terms of the underwriting arrangement are set out in Section 3.10 of this Prospectus.

3.3.4 Share capital

As at the LPD, the issued share capital for our Company is RM6,220,234 comprising 167,291,500 Shares. Upon completion of our IPO, the enlarged issued share capital of our Company will be RM29,322,234 comprising 223,051,500 Shares as follows:

Details	No. of Shares	RM
Existing issued share capital	167,291,500	6,220,234
New Shares to be issued pursuant to the Public Issue	55,760,000	25,092,000
Less: Estimated listing expenses directly attributable to the Public Issue		(1) 1,990,000
Enlarged total number of Shares upon Listing	223,051,500	29,322,234
Offer for Sale	22,304,000	10,036,800
IPO Price		0.45
Pro forma NA per Share *(based on the enlarged issued share capital after our IPO and after deducting the estimated listing expenses of approximately RM1.99 million)*		(2) 0.11
Market capitalisation upon Listing *(based on the IPO Price and the enlarged issued share capital after our IPO)*		100,373,175

Notes:

(1) These expenses are capitalised to the share capital of our Company as they are directly attributable to the issuance of Shares pursuant to the Public Issue. The amount of RM1.99 million comprise RM0.70 million for placement, underwriting, management and brokerage fees, RM1.29 million for the portion of professional fees directly attributable to the Public Issue and RM1,000 for regulatory fees pursuant to the IPO.

(2) The pro forma NA per Share is the portion attributable to the owners of the Company. Further details of the pro forma NA per Share are set out in Section 12.1 of this Prospectus.

3.3.5 Classes of Shares and ranking

As at the date of this Prospectus, we have only one class of shares, being ordinary shares. Our Public Issue Shares will, upon allotment and issue, rank equally in all respect with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Public Issue Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the amount paid by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At any general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy.

On a show of hands, each shareholder presents either in person, by proxy, by attorney or by other duly authorised representative shall have one vote. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held.

3.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES

Our IPO Price of RM0.45 per IPO Share was determined and agreed upon by us and our Principal Adviser after taking into consideration the following factors:

(i) our pro forma NA per Share attributable to the owners of the Company of RM0.11 as at 31 December 2020 based on the enlarged issued share capital of 223,051,500 Shares, after our IPO and subsequent to the utilisation of proceeds from our Public Issue as set out in Section 3.8 of this Prospectus;

(ii) based on our historical audited combined statements of profit or loss and other comprehensive income of our Group for FYE 2020, we recorded a PATAMI of approximately RM7.53 million representing net EPS of RM0.034 (based on the enlarged issued share capital of 223,051,500 Shares upon Listing) resulting in net PE Multiple of 13.24 times;

(iii) our competitive strengths as described in Section 6.5 of this Prospectus;

(iv) our business strategies and future plans as described in Section 6.6 of this Prospectus; and

(v) the industry overview and prospects as set out in the IMR Report in Section 7 of this Prospectus respectively.

Prospective investors should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. Prospective investors should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. You are also reminded to consider carefully the risk factors as set out in Section 8 of this Prospectus.

3.5 EXPECTED MARKET CAPITALISATION UPON LISTING

Based on the IPO Price of RM0.45, the total market capitalisation of our Company upon Listing shall be RM100,373,175.

3.6 OBJECTIVES OF OUR IPO

The purposes of our IPO are as follows:

(i) to provide an opportunity for the Malaysian Public, including our eligible Directors and employees to participate in our equity;

(ii) to enable our Group to raise funds for the purposes specified in Section 3.8 of this Prospectus;

(iii) to enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue further growth opportunities as and when they arise; and

(iv) to gain recognition through our listing status which will enhance our Group's reputation in the marketing of our products and services, retention of our employees, expand our customer base and to attract new employees.

3.7 DILUTION

Dilution is computed as the difference between our IPO Price paid by you for our Public Issue Shares and the pro forma NA per Share of our Group immediately after our IPO. The following table illustrates the effect in our Group's pro forma NA for each Share to our shareholders:

	RM
IPO Price	0.45
Pro forma NA per Share as at 31 December 2020 after our Pre-IPO Exercise but before our Public Issue	(1) 0.08
Increase in pro forma NA per Share after adjusting for the Public Issue and utilisation of proceeds	0.03
Pro forma NA per Share after the IPO	(1) 0.11
Dilution in NA per Share to new investors	(0.34)
Dilution in NA per Share to new investors as a percentage of our IPO Price	75.6%

Note:

(1) The pro forma NA per Share is the portion attributable to the owners of the Company.

Further details of our Group's pro forma NA per Share as at 31 December 2020 are set out in Section 12.1 of this Prospectus.

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoters, substantial shareholders, Directors, key senior management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares since our incorporation up to the LPD:

Name	(1) No. of Shares before our IPO	No. of Shares from our IPO	Total consideration	Average effective cost for each Share
			RM	RM
Promoters, substantial shareholders and Directors				
Tan Chee Seng	80,430,597	-	709,846	(2) 0.01
Lee Miew Lan	53,620,398	-	473,230	(2) 0.01
Promoters / Related Parties				
Tan Eng Hua	223,600	-	(3) 65,000	0.29
Ong Bee Geok	223,600	-	(3) 65,000	0.29
Tan Chee Boon	223,600	-	(3) 65,000	0.29
Lee Mun Keong	223,600	-	(3) 65,000	0.29
Chan Kwai Chee	223,600	-	(3) 65,000	0.29
Lai Wai Fun	447,200	-	(3) 130,000	0.29
Substantial shareholders				
Wong Kum Loong	10,414,600	-	91,915	(2) 0.01
Tan Sri Dr Lim Wee Chai	8,600,000	-	(4) 2,000,000	0.23
Directors				
Liew Yu Hoe	4,314,405	-	38,079	(2) 0.01
Dato' CM Vignaesvaran A/L Jeyandran	-	250,000	(5) 112,500	0.45
Goh Keng Tat	-	250,000	(5) 112,500	0.45
Sim Seng Loong @ Tai Seng	-	250,000	(5) 112,500	0.45
Key senior management				
Soh Meng Siit	-	1,400,000	(5) 630,000	0.45
New investors				
Public Issue	-	55,760,000	25,092,000	0.45
Offer for Sale	-	22,304,000	10,036,800	0.45

Notes:

(1) Number of Shares after completion of Acquisition, Conversion of RCPS and Subdivision of Shares, but prior to IPO.

(2) Rounded to the nearest 2 decimal places.

(3) Based on the subscription price for Class B RCPS.

(4) Based on the subscription price for Class A RCPS.

(5) Assuming all the Pink Form Shares are fully subscribed.

3.8 UTILISATION OF PROCEEDS

Based on the IPO Price of RM0.45, the total gross proceeds of RM25,092,000 from the Public Issue will be utilised by our Group in the following manner:

Description of utilisation	Amount of proceeds (RM '000)	%	Estimated timeframe for utilisation upon Listing
Business expansion into the Philippines	2,503	9.98	Within 24 months
Expansion of Feet's and Lark in Southeast Asia	6,348	25.30	Within 24 months
R&D expenditure	4,101	16.34	Within 24 months
Working capital			
(i) Expansion of IT staff augmentation service business	787	3.14	Within 24 months
(ii) Expansion of the sale of software licences	2,252	8.97	Within 24 months
(iii) General working capital	4,521	18.02	Within 24 months
Listing expenses	4,580	18.25	Within 1 month
Total Public Issue proceeds	**25,092**	**100.00**	

3.8.1 Business expansion into the Philippines

We intend to enlarge our regional presence in Southeast Asia by expanding into the Philippines. To facilitate the expansion into the Philippines, we intend to establish an office in Manila as the location is strategic in view it is the capital city and business centre of the Philippines. The establishment of our new office in Manila is estimated to cost RM2.75 million, comprising the purchase of office equipment, staff payroll, office rental and marketing cost for our HCM and student management solutions and HCM technology applications, over the initial 2 years of establishment.

We intend to allocate approximately RM2.50 million representing 9.98% of the gross proceeds from our Public Issue for the establishment of business operation in the Philippines within 24 months from the date of Listing, with details as follows:

Details	RM'000
Rental of office (1)	227
Payroll expenses (2)	1,484
Purchase of office equipment (3)	65
Advertising and marketing expenses (4)	727
Total	**2,503**

Notes:

(1) Our Group intends to rent a room within a co-working space in Manila. The dedicated room within the co-working space which we plan to rent will accommodate approximately 11 employees for the business operations in the Philippines. The rental of the office, based on the rental rate of the dedicated room, is estimated to be at least RM10,400 per month (i.e. RM124,800 per annum). The estimated cost to rent the dedicated room within the co-working space is approximately RM249,600 for 24 months, out of which RM227,000 from our IPO proceeds will be utilised to

fund this rental expense with the remaining balance to be funded through internally generated funds. After the 24-month period from Listing Date, the rental expense for the dedicated room within the co-working space will be funded through internally generated funds. The exact location for the new office unit is expected to be determined and finalised within 6 months from the date of Listing.

(2) Approximately RM1.48 million is earmarked for the recruitment of marketing, administrative and technical personnel to support our regional expansion into the Philippines. The amount, which is to be utilised for a period of 24 months after Listing, is for the recruitment of up to 11 local employees which comprise 1 managing director, 6 consultants, 3 sales and marketing personnel and 1 administrative staff.

(3) Our Group intends to purchase office equipment, such as printers and server for the setting up of the new office in Manila and computers for new employees to be recruited locally. The purchase of printers despite the availability of shared printers is to ensure the privacy of the documents printed. Further, we require our own laptops and servers due to the nature of our services as our consultants will have to perform software coding on laptops, and our software applications, documents and codes stored in our laptops will need to be backed up in the servers.

(4) The advertising and marketing expenses of approximately RM0.73 million earmarked are mainly for participation in events, exhibitions or trade show, travel expenses for regular visits to meet potential customers, and advertising and promotional expenses intended to grow our HCM and student management solutions and HCM technology applications business in the Philippines.

In the event the actual proceeds utilised for business expansion into the Philippines is lower than the allocation of RM2.50 million, the excess will be used for working capital purposes. Any excess amount required for business expansion into the Philippines will be allocated from internally generated funds and / or bank borrowings. Please refer to Section 6.6(i) of this Prospectus for further information on our business expansion into the Philippines.

3.8.2 Expansion of Feet's and Lark in Southeast Asia

We intend to grow our Feet's and Lark business in Malaysia and other Southeast Asia countries which includes Singapore, Thailand, Indonesia and Vietnam. As disclosed in Section 6.6 of this Prospectus, we are planning to establish a regional sales and marketing team for each country to support the growth of our Feet's and Lark business across the Southeast Asia region. The hired sales and personnel will be based in their respective countries. The total estimated cost to be incurred for the expansion of Feet's and Lark in these countries is RM7.84 million, comprising payroll expenses and advertising and marketing expenses of RM7.60 million and localisation of Feet's of RM0.24 million.

We intend to allocate approximately RM6.35 million, representing 25.30% of the gross proceeds from our Public Issue, for the expansion of Feet's and Lark business across Southeast Asia within 24 months from the date of Listing. Further details are set out in the table below:

Details	RM'000
Payroll expenses (1)	2,983
Advertising and marketing expenses (2)	3,239
Localisation of Feet's (3)	126
Total	**6,348**

***Notes**:*

(1) The payroll expenses will be utilised over a period of 24 months after Listing and mainly consist of salaries, medical expenses, staff benefits, training and developing expenses and other expenses in relation to our human resource.

Allocation of approximately RM2.98 million is set aside to enable our Group to hire up to 6 sales and marketing local personnel for each country, bringing up to a total of 30 new employees in our Group to support the growth of our Feet's and Lark business.

As at the LPD, our Group has commenced the hiring of the sales and marketing team for Malaysia and Vietnam. Our Group has hired a total of 6 sales and marketing personnel in Malaysia and 2 sales and marketing personnel in Vietnam. Prior to our Listing, the payroll expenses of these hired employees are funded by internally generated funds. After our Listing, our Group will be utilising the allocated gross proceeds to meet the payroll expenses of 6 of the existing hired sales and marketing personnel in Malaysia and 2 of the existing hired sales and marketing personnel in Vietnam over a period of 24 months. Our Group will hire the sales and marketing team for Singapore, Thailand and Indonesia after our Listing.

(2) The advertising and marketing expenses of approximately RM3.24 million are earmarked mainly for participation in events, exhibitions or trade show, travel expenses for regular visits to potential customers, and advertising and promotional expenses intended to grow our Feet's and Lark business.

(3) Our Group has earmarked approximately RM0.13 million to modify and localise Feet's in order to suit the usage of Feet's in Thailand and Vietnam, especially the language of its user interface.

In the event the actual proceeds utilised for expansion of Feet's and Lark in Malaysia, Singapore, Thailand, Indonesia and Vietnam is lower than the allocation of RM6.35 million, the excess will be used for working capital purposes. Any excess amount required for expansion of Feet's and Lark in these countries will be allocated from internally generated funds and / or bank borrowings.

We have commenced some preparation works for this expansion plan and will continue with the expansion plan upon our Listing at a staggered timeline. Please refer to Section 6.6(ii) of this Prospectus for further information on our expansion of Feet's and Lark business in Southeast Asia.

3.8.3 R&D expenditure

Our Group recognises the importance of continuous R&D efforts to enhance our HCM offerings to remain competitive and relevant in the HCM solution and technology industry. The total estimated cost for our R&D expenditure is RM5.13 million comprising enhancement of Feet's through incorporation of AI technology and development of bolt-on modules for our cloud-based HCM solutions. The enhancement of Feet's through incorporation of AI technology is estimated to cost RM3.19 million while the development of bolt-on modules for our cloud-based HCM solutions is estimated to cost RM1.94 million.

We intend to allocate approximately RM4.10 million, representing 16.34% of the gross proceeds from our Public Issue, for R&D expenditure. The details of our R&D expenditure are as follows:

Details	**RM'000**
Enhancement of Feet's through incorporation of AI technology:	
- Collaboration cost (1)	104
- Purchase of computer equipment (2)	97
- Expansion of R&D division (3)	2,880
Development of bolt-on modules for our cloud-based HCM solutions:	
- Purchase of software licence (4)	1,020
Total	**4,101**

Notes:

(1) Approximately RM0.10 million is earmarked for the collaboration cost with third party AI experts to conceptualise the AI modules into Feet's.

(2) Our Group intends to purchase new units of computer equipment, such as printers and server for the setting up of the new workplace for the enhancement of Feet's, and computers for new employees as well as upgrades / replacement of existing computer equipment.

(3) Our Group has earmarked approximately RM2.88 million to hire about 15 IT personnel comprise AI programmers, data scientist and data analyst to support the enhancement of Feet's through incorporation of AI technology. Following the completion of the enhancement of Feet's with AI technology, the new employees will continue to be part of our R&D team focusing on the continuous enhancement of Feet's.

(4) Our Group has earmarked approximately RM1.02 million to purchase the software licence of Oracle Corp's cloud-based HCM software to develop bolt-on modules for cloud-based HCM solutions.

In the event the actual proceeds utilised for R&D expenditure is lower than the allocation of RM4.10 million, the excess will be used for working capital purposes. Any excess amount required for R&D expenditure will be allocated from internally generated funds and / or bank borrowings. Please refer to Section 6.6(iii) of this Prospectus for further details on our R&D activities.

3.8.4 Working capital

3.8.4.1 Expansion of our IT staff augmentation service business

Notwithstanding that there is a slowdown in the demand for project-based recruitment due to the impact of COVID-19 pandemic on the financial position of many organisations leading to tighter budgets and abortion/delay of non-essential ad-hoc IT projects, our Group believes that such demand will revive once the impact of COVID-19 pandemic subsides and economy recovers following the commencement of mass vaccinations in Malaysia and other overseas countries. Further, despite the travel restrictions in place in Malaysia and other overseas countries due to the COVID-19 pandemic, the staff under our IT staff augmentation business can be provided to customers based on offsite arrangements whereby our staff will be based in their respective countries and work remotely during the contractual periods. As at the LPD, our Group has existing and recurring contract with Epicenter Amsterdam and Oracle Malaysia for the provision of IT staff augmentation services which are ongoing throughout FYE 2021. In view of the long term prospects and value propositions of project-based recruitment, we intend to expand our IT staff augmentation service business. Even though our Group has been involved in the provision of IT staff augmentation services, we have not actively expanded this business in the past as it requires high level of cash flow requirements and we need to preserve cash flow for our operations. Please refer to Section 8.2.3 of this Prospectus for further details on the risks which our IT staff augmentation services are exposed to.

To facilitate the expansion of our IT staff augmentation service business, we intend to allocate approximately RM0.79 million, representing 3.14% of our gross proceeds from the Public Issue to fund the cash flow requirements to support the initial 2-month payroll of the IT professionals which we expect to hire and supply to our customers.

Please refer to Section 6.6(iv) of this Prospectus for further information on the expansion of our IT staff augmentation service business.

3.8.4.2 Expansion of the sale of software licences

As part of our business strategies to position ourselves as a one-stop solution provider for HCM and student management solutions, we intend to expand the sale of software licences from large organisations. We purchase HCM and student management software licences from software vendors on wholesale basis and resell them to our customers, thereafter followed by the implementation of HCM and student management solutions, respectively. However, the sale of software licences would require a high level of cash flow requirements by our Group. Please refer to Section 8.2.1 of this Prospectus for further details on the high cost of investment for HCM and student management solutions.

To facilitate the expansion of the sale of software licences, we intend to allocate approximately RM2.25 million representing 8.97% of our gross proceeds from the Public Issue to fund the cash flow requirements.

Please refer to Section 6.6(v) of this Prospectus for further information on our expansion of sale of software licences.

3.8.4.3 General working capital

We intend to allocate approximately RM4.52 million, representing 18.02% of our gross proceeds from the Public Issue as additional working capital to finance our day-to-day operations.

The use of our gross proceeds from the Public Issue for working capital purposes is expected to improve our Group's cash flow position and enable the smooth conduct of our operations. Further details of the working capital are set out in the table below:

Details	**RM'000**
Travelling and accommodation [(1)]	943
Sales and marketing expenses [(2)]	3,074
Upgrading of computer equipment [(3)]	288
Training of IT consultants [(4)]	216
Total	**4,521**

***Notes**:*

(1) Our Group has earmarked approximately RM0.94 million for our project and IT consultants for overseas travel to attend to customer requirements related to HCM solutions projects.

(2) Our Group intends to utilise approximately RM3.07 million to participate in promotional activities such as the COVID-19 relief program (as detailed out in Section 6.9(iv) of this Prospectus), expansion of business network with existing and potential customers, payment for release of media press, advertisement and write up in social media such as Facebook Ads and hosting webinars to promote our Group's branding / profile.

(3) Our Group intends to upgrade existing computer equipment and electronic accessories for our regional offices such as subscription of new software and application in order to stay abreast with introduction of new technologies and remain relevant in the HCM technology industry.

(4) Our Group has earmarked approximately RM0.22 million as funds for our IT consultants to attend training programs which is required to enhance their skillset and knowledge.

3.8.5 Listing expenses

Our listing expenses are estimated to be approximately RM4.58 million representing 18.25% of the gross proceeds from our Public Issue, details of which are as follows:

Estimated listing expenses [(1)]	**Estimated amount (RM'000)**
Professional fees [(2)]	3,274
Brokerage, underwriting and placement fees	703
Regulatory fees	1
Printing, advertising and other miscellaneous expenses relating to our Listing	602
Total	**4,580**

Notes:

(1) If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for the business expansion purposes. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for business expansion purposes.

(2) Includes fees for the Principal Adviser, Solicitors, Reporting Accountants, Independent Market Researcher, Issuing House and other professional advisers including foreign auditors and solicitors.

Pending the eventual utilisation of the proceeds from our Public Issue for the above intended purposes, we intend to place the proceeds raised (including accrued interest, if any) or any remaining balance in interest-bearing accounts with licenced financial institutions in Malaysia and / or money market deposit instruments / funds.

Our Company will not receive any proceeds from the Offer for Sale. Based on our IPO Price of RM0.45 per Offer Share, the gross proceeds from the Offer for Sale of approximately RM10.04 million will accrue entirely to the Offerors. The Offerors will bear the entire incidental expenses and fees relating to the Offer for Sale, amounting to approximately RM0.25 million.

3.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEES

3.9.1 Underwriting commission

Kenanga IB, as our Underwriter, has agreed to underwrite 11,200,000 Public Issue Shares made available for application by the Malaysian Public and 5,600,000 Pink Form Shares made available to the eligible Directors, employees and business associates of our Group as set out in Sections 3.3.1(i) and 3.3.1(ii) of this Prospectus. We will pay our Underwriter an underwriting commission at the rate of 2.50% of the total value of the underwritten Shares based on the IPO Price.

3.9.2 Brokerage fee

We will pay brokerage at the rate of 1.00% on the IPO Price in respect of all successful applications that bear the stamp of either Kenanga IB, the participating organisations of Bursa Securities, the members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

3.9.3 Placement fee

Our Placement Agent has agreed to place out 61,264,000 IPO Shares to be issued and / or offered to selected investors. The Selling Shareholders for the Offer Shares and us for the Public Issue Shares allocated for private placement are obliged to pay our Placement Agent a placement fee of 2.50% of the value of Shares placed out to selected investors at the IPO Price.

3.10 SALIENT TERMS OF THE UNDERWRITING ARRANGEMENT

We had on 31 May 2021 entered into the Underwriting Agreement with the Underwriter whereby the Underwriter has agreed to underwrite 11,200,000 Public Issue Shares made available for application by the Malaysian Public and 5,600,000 Pink Form Shares made available to the eligible Directors, employees and business associates of our Group as set out in Sections 3.3.1(i) and 3.3.1(ii) of this Prospectus ("**Underwritten Shares**") upon the terms and subject to the conditions as set out in the Underwriting Agreement.

A summary of the salient terms of the Underwriting Agreement are set out in the following sections.

3.10.1 The obligations of the Underwriter are conditional on, amongst others, the following:

(i) the approvals referred to in Section 11.1 of this Prospectus remaining valid and have not been revoked or amended and all the conditions imposed which have to be complied by the Company prior to Listing, have been complied by the Company;

(ii) the receipt by the Underwriter of all relevant documentation and placement monies in respect of the Offer for Sale;

(iii) all other necessary approvals and consents required in relation to the Listing, IPO and the IPO Shares including but not limited to governmental approvals having been obtained and are in full force and effect;

(iv) the issue of the IPO Shares having been approved by the shareholders of the Company in an extraordinary general meeting and by Bursa Securities and any other relevant authorities, and such authorisation has not been withdrawn, revoked, suspended, terminated or lapsed;

(v) the issue and subscription of the IPO Shares in accordance with the provisions of the Underwriting Agreement is not being prohibited or impeded by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);

(vi) the Prospectus having been lodged with the Registrar of Companies whose role is assumed by the chief executive officer of the CCM ("**ROC**") and registered with the SC together with all the required documents in accordance with the CMSA, the Act and the relevant laws and regulations;

(vii) there having been, on or prior to the last date and time for the receipt of applications and payment for the Public Issue Shares in accordance with the Prospectus or such later date as the Company and the Underwriter may mutually agree upon consultation with the SC ("**Closing Date**") or the extended closing date for the receipt of applications and payment for the Public Issue Shares pursuant to the Public Issue which will be notified in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia ("**Extended Closing Date**"), as the case may be, no material breach of any representation, warranty, covenant, undertaking or obligation of the Company in the Underwriting Agreement or which is contained in any certificate, statement, or notice provided under or in connection with the Underwriting Agreement or which proves to be incorrect in any material respect;

(viii) there having been, on or prior to the Closing Date or the Extended Closing Date, as the case may be, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of the Group or in the prospects or future financial condition or business or operations of the Group (which in the reasonable opinion of the Underwriter, is or will be material in the context of the IPO, Listing and the sale of any Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering materially inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company contained in the Underwriting Agreement;

(ix) the Underwriter receiving a copy certified by a director or secretary of the Company to be a true resolution of the Board approving the Listing, the Prospectus and the Underwriting Agreement, the issue and offer of the IPO Shares and authorising a person or persons to sign the Underwriting Agreement on behalf of the Company;

(x) the Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in the Underwriting Agreement;

(xi) the Underwriting Agreement being signed by the relevant authorised signatories to the Underwriting Agreement and stamped within the statutory time frame;

(xii) the Prospectus being in the form and substance satisfactory to the Underwriter;

(xiii) the Company having complied and that the IPO and Listing are in compliance with the policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments and/or supplements thereto;

(xiv) the Company having fully complied with all the conditions which are required to be complied with prior to the issuance of the Prospectus or the Closing Date, or the Extended Closing Date, imposed by the SC and Bursa Securities in respect of the IPO and Listing;

(xv) there not having occurred on or prior to the Closing Date or the Extended Closing Date any breach of and/or failure to perform any of the undertakings by the Company contained in the Underwriting Agreement;

(xvi) there not being any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the IPO, Listing or in connection with the Group which is still subsisting or unresolved to the satisfaction of the Underwriter;

(xvii) there having been, as at Closing Date or the Extended Closing Date, no registration or lodgement of any amendment, supplement, or replacement to the Prospectus with the SC or the ROC without the prior written approval of the Underwriter;

(xviii) a certificate, in the form substantially in the form contained in the Underwriting Agreement, dated the date of the Prospectus signed by the duly authorised officer(s) of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no change, development or occurrence as is referred to in Section 3.10.1(viii) of this Prospectus; and

(xix) the Prospectus having been issued within forty five (45) days of the date of the Underwriting Agreement, or within such extended period as may be determined by the Underwriter.

3.10.2 The Underwriter may terminate, cancel or withdraw its commitment before the Closing Date or the Extended Closing Date, if:

(i) the approval of Bursa Securities and other relevant authorities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Underwriter;

(ii) there is any breach by the Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company;

(iii) there is a failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement;

(iv) there is withholding of information from the Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO or Listing, or the distribution or sale of the IPO Shares;

(v) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Group;

(vi) the Listing does not take place within three (3) months from the date the Underwriting Agreement or such other extended date as may be agreed by the Underwriter;

(vii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market of Bursa Securities due to exceptional financial circumstances which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the IPO Shares;

(viii) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

(a) on or after the date of the Underwriting Agreement; and

(b) prior to the close of the offering of the Public Issue,

lower than eighty-five per centum (85%) of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event;

(ix) there shall have occurred, or happened any of the following circumstances:

(a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing;

(b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, earthquakes, storms, epidemics, explosion, flooding, civil commotion, sabotage, acts of war or accidents); or

(c) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more, which, in the opinion of the Underwriter would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Group as a whole or the success of the IPO or Listing which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms;

(x) any government requisition or occurrence of any other nature which would have or is likely to have a material adverse effect on the business, operations and/or financial position or prospects of the Group or the success of the IPO or the Listing;

(xi) the IPO is stopped or delayed by the Company or any relevant authorities for any reason whatsoever (unless such delay has been approved by the Underwriter);

(xii) any commencement of legal proceedings or action against any member of the Group or any of their directors, which in the opinion of the Underwriter, would have or is likely to have a material adverse effect or make it impracticable to market the IPO or to enforce contracts to allot and/or transfer the shares; or

(xiii) if the SC or any other relevant authority issues an order pursuant to any Malaysian law such as to make it impracticable to market the IPO or to allot and/or transfer the IPO Shares.

3.10.3 In the event that the Underwriting Agreement is terminated pursuant to Section 3.10.2 of this Prospectus, the Underwriter and the Company may confer with a view to deferring the Public Issue by amending the terms of the Underwriting Agreement and entering into a new underwriting agreement accordingly, but neither the Underwriter nor the Company shall be under any obligation to enter into a fresh agreement.

3.10.4 Upon any such notice(s) being given pursuant to Section 3.10.2 of this Prospectus, the Underwriter shall be released and discharged from its obligations under the Underwriting Agreement whereupon the following shall take place within three (3) Market Days of the receipt of such notice:

(i) the Company shall make payment of Underwriting Commission to the Underwriter in accordance with the Underwriting Agreement;

(ii) the Company shall pay or reimburse to the Underwriter the costs and expenses referred to in the Underwriting Agreement;

(iii) each party shall return all other monies (in the case of the Underwriter, after deducting the Underwriting Commission due and owing to the Underwriter under the Underwriting Agreement) including but not limited to the subscription monies paid to the other under the Underwriting Agreement (except for monies paid by the Company for the payment of the expenses as provided under the Underwriting Agreement),

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

4.1 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

4.1.1 Promoters and substantial shareholders' shareholdings

The following table shows the shareholdings of our Promoters and substantial shareholders before and after our IPO:

		As at the LPD and before our IPO [(1)]				After our IPO [(2)]			
		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)
Promoters and substantial shareholders									
Tan Chee Seng	Malaysian	80,430,597	48.08	-	-	74,185,597	33.26	-	-
Lee Miew Lan	Malaysian	53,620,398	32.05	-	-	39,791,398	17.84	-	-
Promoters / Related Parties [(3)]									
Tan Eng Hua	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Ong Bee Geok	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Tan Chee Boon	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Lee Mun Keong	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Chan Kwai Chee	Malaysian	223,600	0.13	-	-	223,600	0.10	-	-
Lai Wai Fun	Singaporean	447,200	0.27	-	-	447,200	0.20	-	-
Substantial shareholders									
Wong Kum Loong	Malaysian	10,414,600	6.23	-	-	8,853,600	3.97	-	-
Tan Sri Dr Lim Wee Chai	Malaysian	[(4)] 8,600,000	5.14	-	-	8,600,000	3.86	-	-

Notes:

(1) Based on the issued share capital of 167,291,500 Shares after the completion of the Acquisition, Conversion of RCPS and Subdivision of Shares, and before the Public Issue.

(2) Based on the enlarged issued share capital of 223,051,500 Shares after our IPO.

(3) Holders of Class B RCPS whom are persons connected to Tan Chee Seng or Lee Miew Lan, details of which are set out in the Definitions section of this Prospectus.

(4) Tan Sri Dr Lim Wee Chai became a substantial shareholder of our Company upon Conversion of RCPS. However, he will not be a substantial shareholder after our IPO.

Save for our Promoters and substantial shareholders above, there are no other persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, our Promoters and substantial shareholders have the same voting rights as the other shareholders of our Company and there is no arrangement between Ramssol and its shareholders with any third parties, the operation of which may, at a subsequent date, result in the change in control of Ramssol.

4.1.2 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) Tan Chee Seng
*Promoter, substantial shareholder, Group Managing Director and Chief Executive Officer ("**CEO**")*

Tan Chee Seng, a Malaysian, age 37, is our Promoter, substantial shareholder, Group Managing Director and CEO. He is responsible for the overall strategic direction, business development and growth of our Group. He was appointed to our Board on 10 January 2019. He is a member of our Risk Management Committee.

He graduated with a Bachelor of Information Technology (Information Systems) from Queensland University of Technology, Australia in January 2006. He was awarded with Malaysia Top 20 Young Entrepreneur Awards and The BrandLaureate BrandLeadership e-Branding Award in 2019 and 2020 respectively.

In September 2006, he joined HRMS Consulting Sdn Bhd as Junior Consultant where he was involved in providing HR consulting, as well as functional design, implementation and technical support of Oracle HCM solutions and campus solutions for customers. When he was in HRMS Consulting Sdn Bhd, he was involved in multiple projects involving large organisations in Malaysia and Singapore.

In October 2008, he left HRMS Consulting Sdn Bhd and took a career break before he joined Symphony BPO Solutions Sdn Bhd in February 2009 as PeopleSoft Functional Associate where he was responsible for the functional design and implementation of HCM solutions, as well as providing technical support for HR business process outsourcing ("**BPO**") projects. In 2010, he was promoted to PeopleSoft Functional Consultant where his responsibilities were extended to include HR consulting for HR BPO projects involving organisations with regional presence. During his tenure with Symphony BPO Solutions Sdn Bhd, his outstanding performance won him Star Performer awards for 2 quarters in 2010. He also gained in-depth HR knowledge and built good reputation in the industry through his involvements and proven success in projects involving notable local organisations and MNCs in Australia, China and the Netherlands. In March 2011, he left Symphony BPO Solutions Sdn Bhd.

With his industry experience and in-depth technical knowledge in HR consulting, design and implementation of HCM solutions, he established Rams Malaysia on 10 August 2010 and Rams Singapore on 23 September 2010. He was a shareholder in Rams Malaysia and Rams Singapore without any executive roles until January 2012 when he was appointed as Managing Director of Rams Malaysia, which commenced operations in 2014, and Rams Singapore, which commenced operations in 2011, to lead the business operations and growth. Over the years, he has expanded our range of HCM offerings and our business presence in more countries, namely Vietnam, Thailand and Indonesia, which have positioned us as a regional HCM solution and technology specialist in Southeast Asia. In January 2020, he was appointed as our CEO.

(ii) Lee Miew Lan
*Promoter, substantial shareholder, Non-Independent Executive Director and Chief Operating Officer ("**COO**")*

Lee Miew Lan, a Malaysian, age 46, is our Promoter, substantial shareholder, Non-Independent Executive Director and COO. She is responsible for overseeing the operational functions of our Group, and assisting our CEO in implementing operational strategies and policies. She was appointed to our Board on 10 January 2019.

She graduated with a Bachelor of Science (Hons) Computing Studies from London South Bank University, United Kingdom in July 1998. She was certified as a PeopleSoft Support Specialist (v3.0) in July 2013, as well as Oracle Fusion HCM 2014 PreSales Specialist and Oracle Fusion HCM 2014 Sales Specialist, both in March 2016.

She joined KE Technology Sdn Bhd in October 1998 as Application Support Executive where she was involved in the analysis of customers' HR management system and design of solutions to enhance the customers' existing HR management system. In August 2001, she was promoted to Consultant where she undertook additional responsibilities in the design and implementation of HR management solutions for customers, including multiple large organisations in Malaysia and Thailand. She was an Application Consultant before she left the company in December 2004.

In February 2005, she joined HRMS Consulting Sdn Bhd as Senior Consultant where she led the HR consulting, as well as design and implementation of HCM software solutions mainly using PeopleSoft software. She has led multiple projects involving organisations in Malaysia and Singapore as well as several countries in Europe including France, United Kingdom, the Netherlands, Belgium and Italy. As part of HR consulting, she was also involved in designing and outlining blue prints for her customers' HR process and policies.

In December 2008, she left HRMS Consulting Sdn Bhd and joined Symphony BPO Solutions Sdn Bhd in January 2009 as PeopleSoft Functional Lead Consultant, where she led a team of consultants and associates in carrying out HR consulting, functional design and implementation of HCM software solutions for HR BPO projects involving organisations with regional presence. She was also in charge of projects tendering and was involved in understanding and gathering countries' HR legal requirements in accordance to the local employment laws to form an internal database that supports the consulting, functional design and implementation of HCM software solutions. During her tenure with Symphony BPO Solutions Sdn Bhd, she gained in-depth knowledge on HR legal requirements in different countries such as Indonesia, India, Australia, New Zealand and United Arab Emirates, which allowed her to understand the organisational dynamics and local employment laws of many countries. She left Symphony BPO Solutions Sdn Bhd in July 2010.

Her extensive industry experience and in-depth HR knowledge have led to the establishment of Rams Malaysia on 10 August 2010 and Rams Singapore on 23 September 2010, with our CEO, Tan Chee Seng. Since the incorporation of Rams Singapore, she held the title of Senior Consultant under Rams Singapore while she was involved in managing all our consultants and overseeing the operational functions of Rams Singapore. Following the commencement of operations of Rams Malaysia in 2014 and expansion of our business presence to more countries namely Vietnam, Thailand and Indonesia over the years, her responsibilities have extended to cover the operations of these countries. In January 2020, she was appointed as our COO.

(iii) Tan Eng Hua
Related Party and Class B RCPS holder

Tan Eng Hua, a Malaysian, aged 72, is the father of Tan Chee Seng, our Promoter, substantial shareholder, Group Managing Director and CEO.

Tan Eng Hua is the founder of Eng Hua Wooden Sdn Bhd, a company which manufactures wooden pallets and related products and has been retired since 2010. He is not involved in the business and management of our Group.

(iv) Ong Bee Geok
Related Party and Class B RCPS holder

Ong Bee Geok, a Malaysian, aged 66, is the mother of Tan Chee Seng, our Promoter, substantial shareholder, Group Managing Director and CEO.

Ong Bee Geok is a homemaker and is not involved in the business and management of our Group.

(v) Tan Chee Boon
Related Party and Class B RCPS holder

Tan Chee Boon, a Malaysian, aged 45, is the brother of Tan Chee Seng, our Promoter, substantial shareholder, Group Managing Director and CEO.

Tan Chee Boon is currently a Director and major shareholder of Eng Hua Wooden Sdn Bhd, a company which manufactures wooden pallets and related products. Tan Chee Boon is not involved in the business and management of our Group.

(vi) Lee Mun Keong
Related Party and Class B RCPS holder

Lee Mun Keong, a Malaysian, aged 76, is the father of Lee Miew Lan, our Promoter, substantial shareholder, Non-Independent Executive Director and COO.

Lee Mun Keong started his career in the Royal Malaysian Air Force and was awarded 2 military medals which were Pingat Perkhidmatan Am (P.P.A) and Pingat Jasa Malaysia (P.J.M) for his public services and is now a retiree. Lee Mun Keong is not involved in the business and management of our Group.

(vii) Chan Kwai Chee
Related Party and Class B RCPS holder

Chan Kwai Chee, a Malaysian, aged 70, is the mother of Lee Miew Lan, our Promoter, substantial shareholder, Non-Independent Executive Director and COO.

Chan Kwai Chee is a homemaker and she is not involved in the business and management of our Group.

(viii) Lai Wai Fun
Related Party and Class B RCPS holder

Lai Wai Fun, a Singaporean, aged 48, is the sister-in-law of Lee Miew Lan, our Promoter, substantial shareholder, Non-Independent Executive Director and COO.

Lai Wai Fun is a homemaker and is not involved in the business and management of our Group.

(ix) Wong Kum Loong
Substantial shareholder

Wong Kum Loong, a Malaysian, aged 41, is our substantial shareholder. He is also a substantial shareholder in one of our subsidiaries, Feets Malaysia, with a 46.03% equity interest as set out in Section 5.4.1(v) of this Prospectus. Wong Kum Loong became a substantial shareholder of Feets Malaysia on 2 June 2020 as he saw potential growth in the employee engagement mobile application, Feet's. The equity participation of Wong Kum Loong is also an opportunity for Feets Malaysia to obtain financial support by way of additional equity injection, if required, for the working capital requirements of Feet's and to expand the business of Feet's through his business network in Indonesia.

Wong Kum Loong graduated with a Diploma in Computer Studies in June 2003 from Sunway College, Malaysia. During his diploma studies, he has obtained multiple technical certifications, including but not limited to system design and analysis, project management, computerised accounting, human communication & information systems provided by NCC Education, Sunway College Malaysia. He also obtained his Bachelor of Science Degree with Honours in Computing in February 2004 from University of Greenwich, London. Upon his graduation, he started his career as a Central Buyer with CIMB Securities Sdn Bhd in March 2004 where he gained exposure to the securities market. Thereafter, he joined the helpdesk department of Scicom (MSC) Berhad in January 2006 where he gained insights to the workings of business consulting, information technology and outsourcing services. He left Scicom (MSC) Berhad in February 2007 and joined his family business based in Indonesia which is in trading of commodities.

(x) Tan Sri Dr Lim Wee Chai
Substantial shareholder

Tan Sri Dr Lim Wee Chai, a Malaysian, aged 63, is our substantial shareholder.

Tan Sri Dr Lim Wee Chai graduated with a Bachelor of Science Degree with Honours in Physics in 1982 from the University of Malaya, Malaysia and a Master of Business Administration in 1985 from the Sul Ross State University in Texas, United States of America. He also obtained a PhD in Management from the University of Selangor, Malaysia in 2015. He was conferred an Honorary Doctorate in Business Administration by Oklahoma City University in the United States in May 2016, an Honorary Doctorate in Entrepreneurship by Management & Science University in Malaysia in August 2018, an Honorary Doctor in Philosophy (PhD) Degree in Business Management by University of Cyberjaya in Malaysia in October 2020 and made an Honorary Professor by University of Cyberjaya in Malaysia in October 2020.

Tan Sri Dr Lim Wee Chai is the Executive Chairman and founder of Top Glove Corporation Bhd, the world's largest manufacturer of gloves, which was founded in 1991 and listed on the Main Market of Bursa Securities in 2001 and the Main Board of the Singapore Exchange in 2016. He is also the Chairman and founder of Top Glove Foundation, which was founded in 2008. In addition, he was appointed as the Non-Independent Non-Executive Deputy Chairman of Tropicana Corporation Bhd in 2017 and re-designated as the Non-Independent Non-Executive Chairman in 2019. He was also appointed a Trustee of Top Glove Foundation in 2008.

Tan Sri Dr Lim Wee Chai has been actively involved in many associations and organisations in Malaysia. He has been an Honorary Fellowship with the Malaysian Institute of Physics in 2019, being the first recipient from an entrepreneurial background. He is also the President Emeritus and Council Member of the Federation of Malaysian Manufacturers (FMM) for 2020 / 2021. He has held the position of Honorary President in the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) since 2017. He is also the Life Honorary President of the Federation of the Hokkien Associations of Malaysia since 2017, and the Honorary President of the Kuala Lumpur and Selangor Chinese Chamber of Commerce and Industry since 2017. In addition, he is the Honorary President of the Malaysia-China Chamber of Commerce since 2012, the Life Honorary Advisor of the Federation of Chinese Associations Malaysia since 2011, the Honorary Advisor of the Klang Chinese Chamber of Commerce since 2011, the Honorary Advisor of the Lim Association of Malaysia since 2011 as well as the Director of Kuen Cheng High School since 2008. He is also a Commissioner and Volunteer of Tzu Chi Foundation since 2017.

Tan Sri Dr Lim Wee Chai was the President of the FMM in 2016 / 17. He served as the Director and Board Member of University of Malaya from 2015 to 2018, Council Member of the East Asia Business Council (EABC) from 2011 to 2015, and Director of the Association of Malaysia Medical Industries (AMMI). In addition, he was a Board member of the Malaysian Rubber Board from 1998 to 1999 and also the President of the Malaysian Rubber Glove Manufacturers' Association (MARGMA) from 1997 to 1999. Prior to that, he served as Vice-President, Honorary Secretary and Treasurer of MARGMA for seven years. Tan Sri Dr Lim Wee Chai was also a Director and Board Member of the Employees Provident Fund from 2015 until his retirement in January 2021.

(The rest of this page is intentionally left blank)

4.1.3 Changes in the Promoters' and substantial shareholders' shareholdings in our Company

The significant changes in the shareholdings of our Promoters and substantial shareholders since our incorporation up to the LPD are as follows:

	As at date of incorporation (10 January 2019)				Upon Acquisition				Upon Conversion of RCPS [1]				Upon Subdivision of Shares and as at the LPD [2]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)
Tan Chee Seng	5,130	51.30	-	-	1,870,479	54.06	-	-	1,870,479	48.08	-	-	80,430,597	48.08	-	-
Lee Miew Lan	3,420	34.20	-	-	1,246,986	36.04	-	-	1,246,986	32.05	-	-	53,620,398	32.05	-	-
Tan Eng Hua	-	-	-	-	-	-	-	-	5,200	0.13	-	-	223,600	0.13	-	-
Ong Bee Geok	-	-	-	-	-	-	-	-	5,200	0.13	-	-	223,600	0.13	-	-
Tan Chee Boon	-	-	-	-	-	-	-	-	5,200	0.13	-	-	223,600	0.13	-	-
Lee Mun Keong	-	-	-	-	-	-	-	-	5,200	0.13	-	-	223,600	0.13	-	-
Chan Kwai Chee	-	-	-	-	-	-	-	-	5,200	0.13	-	-	223,600	0.13	-	-
Lai Wai Fun	-	-	-	-	-	-	-	-	10,400	0.27	-	-	447,200	0.27	-	-
Wong Kum Loong	500	5.00	-	-	242,200	7.00	-	-	242,200	6.23	-	-	10,414,600	6.23	-	-
Tan Sri Dr Lim Wee Chai	-	-	-	-	-	-	-	-	200,000	5.14	-	-	8,600,000	5.14	-	-

Notes:

(1) Based on the issued share capital of 3,890,500 Shares after the completion of the Acquisition and upon Conversion of RCPS but prior to Subdivision of Shares.

(2) Based on the issued share capital of 167,291,500 Shares after the completion of the Acquisition, upon Conversion of RCPS and Subdivision of Shares.

(The rest of this page is intentionally left blank)

4.1.4 Promoters and / or substantial shareholders' remuneration and benefits

Save for the dividends paid or proposed to be paid, if any, and the issuance of our Shares as consideration pursuant to the Acquisition to our Promoters and / or substantial shareholders and the aggregate remuneration and benefits paid and proposed to be paid for services rendered to our Group in all capacities to our Group, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

4.2 BOARD OF DIRECTORS

4.2.1 Board

Our Board comprises the following members:

Name	Age	Nationality	Date of appointment	Designation
Dato' CM Vignaesvaran A/L Jeyandran	48	Malaysian	15 September 2020	Independent Non-Executive Chairman
Tan Chee Seng	37	Malaysian	10 January 2019	Group Managing Director / Chief Executive Officer
Lee Miew Lan	46	Malaysian	10 January 2019	Non-Independent Executive Director / Chief Operating Officer
Liew Yu Hoe	37	Malaysian	17 September 2019	Non-Independent Executive Director / Chief Information Officer
Goh Keng Tat	45	Malaysian	15 September 2020	Independent Non-Executive Director
Sim Seng Loong @ Tai Seng	54	Malaysian	15 September 2020	Independent Non-Executive Director

4.2.2 Profiles of our Directors

The profiles of our Directors, Tan Chee Seng and Lee Miew Lan who are also our Promoters and substantial shareholders are disclosed in Section 4.1.2 of this Prospectus.

The profiles of our other Directors are as follows:

(i) Dato' CM Vignaesvaran A/L Jeyandran
Independent Non-Executive Chairman

Dato' CM Vignaesvaran A/L Jeyandran, a Malaysian, age 48, is our Independent Non-Executive Chairman. He was appointed to our Board on 15 September 2020 and is the Chairman of our Nomination Committee and a member of our Audit, Risk Management and Remuneration Committees.

He obtained a Bachelor of Business Administration from Universiti Kebangsaan Malaysia in July 1997 and a Master of Science in Business Strategy, Leadership and Change from Heriot-Watt University in December 2019. Over the years, he had also completed various short courses and training programs related to business, leadership and IT from Saïd Business School (University of Oxford), Judge Business School (University of Cambridge), Cranfield School of Management and Harvard Business School.

In June 1997, he began his career when he joined Shaari Trading Sdn Bhd as Administration Executive. During his tenure with Shaari Trading Sdn Bhd, he held various positions and he was mainly involved in power and telecommunication infrastructure construction projects whereby his responsibilities include managing and overseeing the supply of equipment, project planning and daily operational activities. Among the notable projects that he had participated include ground lighting system for Kuala Lumpur International Airport, Petronas Twin Towers, Melaka Sungai Udang Refinery and Segari Power Plant projects.

In April 1999, he left Shaari Trading Sdn Bhd and joined Inchcape Marketing Sdn Bhd as Digital Sales Specialist where he was involved in the sales of digital printers. In May 2000, he left Inchcape Marketing Sdn Bhd and joined Sharp-Roxy Sales & Service Company (M) Sdn Bhd in June 2000 as Senior Executive. Over the years, he progressed through several positions and was mainly responsible for the technical support functions for digital printers. He was the Head of Department of Marketing and Technical Support before he left in April 2008.

In May 2008, he became Operations Manager of Sapura Retail Solutions Sdn Bhd, where he managed the day-to-day operations of Petronas' downstream activities including the fuel management of retail petrol stations. In August 2009, he left Sapura Retail Solutions Sdn Bhd and joined JobStreet.com Sdn Bhd as Manager II, Marketing, and he was responsible for the branding and marketing of JobStreet.com career site.

He left JobStreet.com Sdn Bhd and joined Pembangunan Sumber Manusia Berhad, which is also known as Human Resource Development Fund ("**HRDF**"), an organisation under the purview of Ministry of Human Resources, in June 2010 as General Manager. He was involved in overseeing the distribution of grants to organisations before he was promoted to Deputy CEO in April 2012 and subsequently CEO in November 2014. As the CEO of HRDF, he was responsible for outlining the overall strategic directions and implementation plans to ensure meeting the objectives of HRDF. He resigned from his position in June 2018 to further his studies. In March 2019, he founded UMPER Consultancy & Training, a sole proprietorship, and assumed his role as Chief Strategy Officer until to date, where his responsibilities include assisting clients in formulating business strategies, direction and growth, as well as providing trainings on marketing and strategies formulation. UMPER Consultancy & Training is currently dormant.

(ii) Liew Yu Hoe

*Non-Independent Executive Director and Chief Information Officer ("**CIO**")*

Liew Yu Hoe, a Malaysian, age 37, is our Executive Director and CIO. He is responsible for overseeing all project deliverables, including managing resources and ensuring quality control procedures are in place to ensure quality and timely delivery of projects. He was appointed to our Board on 17 September 2019.

He graduated with a Bachelor of Laws from University of London, United Kingdom in August 2006.

He began his career as Cost to Company and Compensation and Benefits ("**CTC, C&B**") Analyst in Averis Sdn Bhd in December 2006 where he was involved in providing operational consulting services for HR management systems, specifically on salary, compensation and benefits functions. In April 2007, he was promoted to CTC, C&B Senior Analyst where he led a team of analysts in providing consulting services.

In October 2008, he left Averis Sdn Bhd and joined Symphony BPO Solutions Sdn Bhd as Project Associate where he was responsible in pre-sales activities. As he gained more experience over the years, he began to be involved in the full project lifecycle comprising project planning, design and implementation of solutions, quality control and system handover. One of his key achievements during his tenure with Symphony BPO Solutions Sdn Bhd was that he successfully implemented HCM solution for a large organisation with branches across Europe, Middle East, Africa and Asia Pacific regions.

In August 2012, he left Symphony BPO Solutions Sdn Bhd and joined Talent2 HRO Sdn Bhd as Project Manager where he managed projects and led a team of IT consultants to carry out the implementation of HCM solution projects, and to ensure timely and quality deliverables within allocated budget.

In June 2015, he left Talent2 HRO Sdn Bhd and joined WorleyParsons Business Services Sdn Bhd as Payroll Project Manager where he was responsible for managing the implementation of Automatic Data Processing, Inc. (**"ADP"**)'s HR management software. In March 2016, he was promoted to Global Process Owner where he reviewed and enhanced the company's operational processes by analysing operational data and statistics and developed action plans to improve operational efficiency. With his recognised performance record, in January 2017, he was promoted to Continuous Improvement Manager where he was in charge of the automation of the company's HR management system by deploying robotic automation across all regional offices of the company. He was also involved in setting key performance measurement and benchmark internally and externally for vendors, reviewing the results regularly and refining the standard operating procedures to enhance the regional operational efficiency and quality of deliverables.

In March 2018, he left WorleyParsons Business Services Sdn Bhd and joined our Group as Operation Director and assumed his current responsibilities. In May 2020, he was re-designated to Chief Information Officer, a position he assumes to present.

(iii) Goh Keng Tat
Independent Non-Executive Director

Goh Keng Tat, a Malaysian, age 45, is our Independent Non-Executive Director. He was appointed to our Board on 15 September 2020 and is the Chairman of our Remuneration Committee and a member of our Audit, Risk Management and Nomination Committees.

He graduated with a Bachelor of Laws from University of London in August 1998. In September 1999, he obtained a Certificate in Legal Practice from the Legal Profession Qualifying Board Malaysia, and in August 2000, he was admitted as an Advocate and Solicitor of the High Court of Malaya.

He began his career as an Associate in Paul Chong & Nathan in August 2000 where he was involved in general litigation related to regulatory compliance for clients in banking and finance industry. In 2001, he left Paul Chong & Nathan and joined Chung, Huang & Khalid as an Associate where he continued his legal practices in the same area of focus. In 2002, he left Chung, Huang & Khalid and joined Logan Sabapathy & Co as an Associate where he extended his legal practices to include civil and corporate litigation works.

In December 2005, he left Logan Sabapathy & Co and joined Seow & Megat in January 2006 as Salaried Partner. Apart from litigation works, he was also responsible for branding and marketing of the firm, securing projects and maintaining relationships with clients. In January 2008, he became an Equity Partner of MahWengKwai Seow & Megat following the merger between Seow & Megat and Mah Weng Kwai & Associates, and assumed similar responsibilities.

In December 2009, he left MahWengKwai Seow & Megat and set up his own law firm, Goh Keng Tat & Co. Since then, he has been the Principal Partner of Goh Keng Tat & Co, where he leads a team of associates in civil and corporate litigation works, as well as overseeing and managing the firm's business including branding and marketing, client relationship management, securing projects and matters pertaining to human resources and administrations.

(iv) Sim Seng Loong @ Tai Seng
Independent Non-Executive Director

Sim Seng Loong @ Tai Seng, a Malaysian, age 54, is our Independent Non-Executive Director. He was appointed to our Board on 15 September 2020 and is the Chairman of our Audit and Risk Management Committees and a member of our Remuneration and Nomination Committees.

In 1987, he completed his Form 6 studies with Sijil Tinggi Persekolahan Malaysia ("**STPM**") from SMK Maxwell. He is a chartered accountant and has been a member of Malaysian Institute of Certified Public Accountants ("**MICPA**") (previously known as Malaysian Association of Certified Public Accountants) since May 1994, Malaysian Institute of Accountants since March 1995 and Certified Practising Accountant Australia since March 2008.

Upon completing his STPM, he joined Ernst & Young, Kuala Lumpur as an Audit Junior in July 1988 where he was tasked to assist his seniors in financial audit projects. During his employment with Ernst & Young, he entered into a 4-year training contract with Lim Ali & Co from October 1988 to September 1992 as part of the syllabus of the MICPA program. Over the years, he progressed through several positions and his responsibilities had gradually increased to cover additional tasks including leading, planning and supervising financial audit projects. He was an Audit Senior when he left Ernst & Young in July 1994 to take a career break upon obtaining his MICPA qualification in May 1994.

In January 1995, he re-joined Ernst & Young as Audit Senior. During his tenure with Ernst & Young, he held several positions and was mainly responsible for financial audit and reporting accountant projects for corporate exercises including mergers and acquisitions and IPO. He was a Senior Manager, Transaction Advisory Division before he left in February 2004.

In March 2004, he admitted as a Partner of an accounting firm, R.K. & Associates. He was the Lead Partner overseeing the daily business operations and leading financial audit projects, before he resigned from his position in February 2007. In March 2007, he joined Vickers Systems Pty. Ltd., a subsidiary of Eaton Corporation, as Corporate Accountant where he was responsible in coordinating the company's worldwide restructuring exercise. In May 2009, he was transferred to Shanghai Eaton Engine Components Co Ltd, China as Financial Controller. He oversaw the company's overall finance function before he left in February 2010 for a career break.

In February 2012, he joined BIG Sdn Bhd as Chief Financial Officer and Chief Operating Officer, where he is primarily responsible for the finance and IT functions of the company as well as day-to-day operations including opening of new restaurants. He left BIG Sdn Bhd in October 2013 and joined Petrol One Resources Berhad (a company listed on the Main Market of Bursa Securities until 17 December 2018) in November 2013 as Chief Financial Officer to oversee the company's overall finance, IT and HR functions as well as to lead the company's restructuring exercise.

In January 2019, he left Petrol One Resources Berhad and joined Silverpack Sdn Bhd in March 2019 as Chief Financial Officer, a position he assumes to present. He is responsible for the company's overall finance and IT functions.

Further, he also holds directorships in several public listed companies. Since 1 August 2014, he served as Independent Non-Executive Director of Pentamaster Corporation Berhad (a company listed on the Main Market of Bursa Securities) until his resignation on 19 December 2017 as part of board restructuring in preparation for the listing of Pentamaster International Limited on the Stock Exchange of Hong Kong Limited. On even date of his resignation, he was appointed as Independent Non-Executive Director of Pentamaster International Limited and assumed his directorship to present. He was an Independent Non-Executive Director of Jack-In Group Limited (a company listed on the Australian Stock Exchange until 11 May 2020) from 23 December 2016 to 24 July 2020, and has been an Independent Non-Executive Director of Nova Wellness Group Berhad (a company listed on the Main Market of Bursa Securities) since 31 October 2017.

4.2.3 Shareholdings of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO:

	Before our IPO (1)				After our IPO (2)(3)			
	Direct		Indirect		Direct		Indirect	
Name	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**
Dato' CM Vignaesvaran A/L Jeyandran	-	-	-	-	250,000	0.11	-	-
Tan Chee Seng	80,430,597	48.08	-	-	74,185,597	33.26	-	-
Lee Miew Lan	53,620,398	32.05	-	-	39,791,398	17.84	-	-
Liew Yu Hoe	4,314,405	2.58	-	-	3,645,405	1.63	-	-
Goh Keng Tat	-	-	-	-	250,000	0.11	-	-
Sim Seng Loong @ Tai Seng	-	-	-	-	250,000	0.11	-	-

Notes:

(1) Based on the issued share capital of 167,291,500 Shares upon the completion of the Acquisition, Conversion of RCPS and Subdivision of Shares.

(2) Based on the enlarged issued share capital of 223,051,500 Shares upon our IPO.

(3) Assuming full subscription of the Pink Form Shares reserved for our eligible Directors.

4.2.4 Principal directorships and business activities of our Directors outside our Group

The following table sets out the principal directorships of our Directors outside our Group and the principal business activities performed by our Directors outside our Group as at the LPD ("**Present Involvement**") and those other principal directorships of our Directors outside our Group that were held within the past 5 years up to the LPD ("**Past Involvement**"):

(i) Tan Chee Seng

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
Past Involvement					
Springbok Consulting Sdn Bhd	Information technology implementation, information technology support and maintenance	Director and shareholder	25 February 2015	7 August 2019	[(1)] -

Note:

(1) Tan Chee Seng has disposed all of his equity interest in Springbok Consulting Sdn Bhd to a third party on 18 July 2019. This third party is not related to any of the Directors, substantial shareholder or key management personnel of the Group.

(ii) Lee Miew Lan

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
Trio Pastries Pte Ltd	(a) Food caterers; (b) Cakes, pastries preparation and supply; (c) Retail sale of food, cake and pastries	Director and shareholder	28 February 2012	-	33.33%

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
Past Involvement					
Springbok Consulting Sdn Bhd	Information technology implementation, information technology support and maintenance	Director and shareholder	25 February 2015	7 August 2019	[(1)] -
Past Involvement					
Ecogiz Capital Pte Ltd	Wholesale trade of a variety of goods without a dominant product and trading of specialised IT products	Director	28 December 2012	9 March 2020 [(2)]	-

Notes:

(1) Lee Miew Lan has disposed all of her equity interest in Springbok Consulting Sdn Bhd to a third party on 18 July 2019. This third party is not related to any of the Directors, substantial shareholder or key management personnel of the Group.

(2) Ecogiz Capital Pte Ltd had been stuck off from the Registrar of Companies by the Accounting and Corporate Regulatory Authority Singapore on 9 March 2020 and pursuant to the striking-off, Lee Miew Lan has ceased to be a director of Ecogiz Capital Pte Ltd.

(iii) Goh Keng Tat

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
Past Involvement					
Xpress Print (KL) Sdn Bhd	Printing and the provision of design and others relating to multimedia	Director	7 April 2014	14 July 2016	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

(iv) Dato' CM Vignaesvaran A/L Jeyandran

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
Past Involvement					
Malaysian Convention & Exhibition Bureau	An organisation established by the Ministry of Tourism, Arts and Culture Malaysia for the purposes of promoting sustainable tourism in Malaysia	Director	10 April 2018	8 August 2018	-
Pembangunan Sumber Manusia Berhad	The imposition and collection of human resources development levy for the purposes of promoting the training and development of employees, apprentices and trainees and the establishment and administration of human resources development fund as set out in the Pembangunan Sumber Manusia Berhad Act 2001	Director	1 September 2014	21 June 2018	-

(v) Sim Seng Loong @ Tai Seng

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
Nova Wellness Group Berhad	Investment holding of company principally involved in development, production and sale of nutraceutical products and skincare products and providing contract manufacture of nutraceutical products	Independent Non-Executive Director	31 October 2017	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
VGMA Asia Sdn Bhd	(a) Business management consultancy services; and (b) Investment holding of companies principally involved in, amongst others, food and beverages and management of restaurants and bars.	Director and shareholder	21 March 2019	-	100
Pentamaster International Limited	Investment holding of companies principally involved in, amongst others: • design, manufacturing and installation of computerized automation systems and equipment; • design, manufacturing of automated testing equipment and test and measurement system; and • equipment design and manufacturing services and the manufacturing of high precision machine parts.	Independent Non-Executive Director	19 December 2017	-	-
Past Involvement					
Jack-In Group Limited	Provision of piling services	Independent Non-Executive Director	23 December 2016	24 July 2020	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
Pentamaster Corporation Berhad	(a) Investment holding of companies principally involved in, amongst others: • designing and manufacturing smart control solution systems; • property project management services; • design, manufacturing and installation of computerised automation systems and equipment; and (b) Provision of management services.	Independent Non-Executive Director	1 August 2014	19 December 2017	-
Petrol One Holdings Sdn Bhd	Investment holding and the charter of safety standby vessels	Director	27 April 2015	10 January 2019	-
Petrol One Offshore Sdn Bhd	Other transportation support activities not elsewhere classified (n.e.c.)	Director	22 October 2018	10 January 2019	-
Petrol One Storage Sdn Bhd	Management of liquid storage terminal	Director	22 October 2018	10 January 2019	-
Supreme Anchor Sdn Bhd	Export and import of a variety of goods without any particular specialisation. This company is currently dormant	Director	29 March 2017	2 March 2018	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Save as disclosed above and in Section 10.1 of this Prospectus, as at the LPD, none of our Directors and / or substantial shareholders has any interest, direct or indirect, or directorship in other businesses or corporations which may give rise to a situation of conflict of interest with our Group.

Our Group Managing Director and Non-Independent Executive Directors are not actively involved in any business activities outside our Group. Their involvement will not affect their ability to perform their roles and responsibilities as well as their contribution to our Group.

(The rest of this page is intentionally left blank)

4.2.5 Directors' remuneration and benefits-in-kind

The aggregate remuneration and material benefits-in-kind paid to our current Directors for services rendered to our Group for FYE 2019 and FYE 2020, and proposed to be paid for FYE 2021 are as follows:

FYE 2019	Salaries RM'000	Fees and allowances RM'000	Bonuses RM'000	Statutory Contributions (1) RM'000	Benefits-in-kind RM'000	Total RM'000
Independent Non-Executive Directors						
Dato' CM Vignaesvaran A/L Jeyandran	-	-	-	-	-	-
Goh Keng Tat	-	-	-	-	-	-
Sim Seng Loong @ Tai Seng	-	-	-	-	-	-
Non-Independent Executive Directors						
Tan Chee Seng	170	-	-	24	17	211
Lee Miew Lan	187	18	-	19	15	238
Liew Yu Hoe	-	-	-	-	-	-

FYE 2020	Salaries RM'000	Fees and allowances RM'000	Bonuses RM'000	Statutory Contributions (1) RM'000	Benefits-in-kind RM'000	Total RM'000
Independent Non-Executive Directors						
Dato' CM Vignaesvaran A/L Jeyandran	-	-	-	-	-	-
Goh Keng Tat	-	-	-	-	-	-
Sim Seng Loong @ Tai Seng	-	-	-	-	-	-
Non-Independent Executive Directors						
Tan Chee Seng	298	51	-	47	18	414
Lee Miew Lan	272	50	-	45	14	381
Liew Yu Hoe	201	-	-	5	-	206

FYE 2021	Salaries RM'000	Fees and allowances RM'000	Bonuses RM'000	Statutory Contributions [(1)] RM'000	Benefits-in-kind RM'000	Total RM'000
Independent Non-Executive Directors						
Dato' CM Vignaesvaran A/L Jeyandran	-	48	-	-	-	48
Goh Keng Tat	-	30	-	-	-	30
Sim Seng Loong @ Tai Seng	-	30	-	-	-	30
Non-Independent Executive Directors						
Tan Chee Seng	643	48	62	93	19	865
Lee Miew Lan	577	30	56	85	-	748
Liew Yu Hoe	301	-	50	42	11	404

Note:

(1) These comprise contribution to Employees Provident Fund and Social Security Organisation.

The remuneration of our Directors, which includes salaries, fees and allowances, bonuses, as well as other benefits, must be considered and recommended by our Remuneration Committee and subsequently, be approved by our Board, subject to the provisions of our Constitution. Our Directors' fees and benefits must be further approved and endorsed by our shareholders at a general meeting.

4.3 BOARD PRACTICES

Our Board has acknowledged the latest recommendations of the Malaysian Code on Corporate Governance ("**MCCG**") which came into effect on 28 April 2021, which include amongst others, the chairman of the board should not be a member of the Audit, Risk Management, Nomination and Remuneration Committees, and that the board should comprise at least 30% women directors.

As such, we have initiated the process of identifying suitable candidates to be appointed as our director(s) and committee member(s) to ensure that the above recommendations under the MCCG will be complied within 1 year after our Listing.

4.3.1 Directors' term of office

As at the LPD, the date of expiry of the current term of office for each of our Directors and the period that each of them has served in that office is as follows:

Directors	Date of appointment	Date of expiry of the current term of office	Approximate no. of years and months in office up to the date of this Prospectus
Dato' CM Vignaesvaran A/L Jeyandran	15 September 2020	At the next annual general meeting	< 1 year
Tan Chee Seng	10 January 2019	At the next annual general meeting	< 3 years
Lee Miew Lan	10 January 2019	At the next annual general meeting	< 3 years
Liew Yu Hoe	17 September 2019	At the next annual general meeting	< 2 years
Goh Keng Tat	15 September 2020	At the next annual general meeting	< 1 year
Sim Seng Loong @ Tai Seng	15 September 2020	At the next annual general meeting	< 1 year

4.3.2 Audit Committee

The Audit Committee shall solely comprise of Independent Non-Executive Directors. The Audit Committee was constituted on 24 September 2020 by our Board with the function of assisting our Board in fulfilling its oversight responsibilities. The composition of our Audit Committee is set out below:

Name	Designation	Directorship
Sim Seng Loong @ Tai Seng	Chairman	Independent Non-Executive Director
Dato' CM Vignaesvaran A/L Jeyandran	Member	Independent Non-Executive Chairman
Goh Keng Tat	Member	Independent Non-Executive Director

Our Audit Committee has full access to both internal and external auditors who in turn have access at all times to the Chairman of our Audit Committee. The key duties and responsibilities of our Audit Committee as stated in its terms of reference include, amongst others, the following:

(i) to ensure financial statements of our Group comply with applicable financial reporting standards by:

   (a) reviewing the quarterly financial results, audited financial statements and annual report of our Group and ensuring, amongst others, that it complies with applicable financial reporting standards prior to submission to the Board for consideration and approval;

(b) reviewing any changes in the implementation of major accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from audit, going concern assumptions, compliance with accounting standards, compliance with the Listing Requirements and other legal requirements;

(c) monitoring the integrity of the financial statements of our Group and assess whether our financial reports represent a true and fair view of our Group's performance and ensure compliance with the regulatory requirements; and

(d) proposing best practices on the disclosure of financial statements and the annual reports of our Company, to be in line with the recommendations set out in the Malaysian Code of Corporate Governance and other applicable rules and regulations;

(ii) to review the audit findings of the external auditors and assessing the performance, suitability and independence of the external auditors by:

(a) reviewing the external auditors' audit plans, its scope of work and nature for our Group;

(b) reviewing the external auditors' findings arising from audits and in particular, the responses and appropriate actions taken by the management of our Group;

(c) reviewing the evaluation results of the accounting policies and internal control systems within our Group and the assistance given by the officers or the employees of our Group to external auditors, including any difficulties or disputes with management encountered during the audit;

(d) reviewing the fees and expenses paid to external auditors, including fees paid for non-audit services during the year and assessing the independence of the external auditors for re-appointment;

(e) conducting private meetings with external auditors without the presence of the Non-Independent Executive Directors or the management of our Group to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss;

(f) reviewing the co-operation and assistance given by the management of our Group to our external auditors;

(g) reviewing any letter of resignation from external auditors and report the same to our Board; and

(h) reviewing whether there is a reason (supported by grounds) to believe that our external auditors are not suitable for re-appointment and recommend the nomination of a person / persons as the external auditors;

(iii) to review the audit findings of the internal auditors and assisting our Board in reviewing the effectiveness and adequacy of internal control systems in the key operation processes by:

(a) reviewing the internal audit plan and the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

(b) reviewing and discussing with our internal auditors, their audit findings, recommendations, management's responses to the audit findings and the proposed action plans, including those issues arising during the course of audit (in the absence of management, where necessary); and

(c) reviewing the effectiveness and efficiency of our internal control systems in place and the risk factors affecting our Group as well as the action plans taken by management to resolve the issues to ensure adequacy of the internal control systems;

(iv) to assess risk management and internal control by:

(a) recommending such measures as to be taken by our Board on the effectiveness of the internal control systems and risk management practices of our Group;

(b) evaluating the quality and effectiveness of our Group's internal control systems and management information systems, including compliance with applicable laws, rules, corporate governance requirements and guidelines;

(c) reviewing and recommending to our Board on the statement on risk management and internal control and any changes to the said statement; and

(d) assisting our Board in identifying the principal risks, reviewing and assessing the effectiveness of our risk management framework and internal control systems based on the reports and recommendations from our internal auditors and report its findings to our Board;

(v) to ensure adequacy of the whistleblowing and fraud protection policies by:

(a) reviewing our Group's arrangements with employees and to raise concerns in confidence on the possible wrongdoings in financial reporting or other matters and ensuring these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and reviewing our Group's procedures in detecting fraud; and

(b) cultivating the awareness of employees and ensuring the whistleblower could report directly to the Audit Committee on any possible wrongdoings or fraud detected;

(vi) to assess the related party transactions by reviewing related party transactions entered into by our Group and any conflict of interest situation that may arise within our Group, if any, and ensuring that all transactions are at arms length's basis;

(vii) to oversee the governance practices of our Group by:

(a) reviewing and issuing the Audit Committee report for inclusion in the annual report;

(b) reviewing the statement on risk management and internal control, statement on corporate governance and corporate governance report to ensure adherence to legal and regulatory reporting requirements and appropriate resolutions of all accounting matters requiring significant judgements and recommend the same to our Board for approval;

(c) reviewing the minutes of Audit Committee meetings;

(d) reviewing the terms of reference of the Audit Committee; and

(e) reviewing any corporate proposals

(viii) to oversee the implementation of the share issuance scheme for employees of our Group ("**SIS**"), as may be established, if applicable, by reviewing and verifying the allocation of options pursuant to the SIS as being in compliance with the criteria for allocation of options under the SIS, at the end of each financial year.

4.3.3 Risk Management Committee

The Risk Management Committee was constituted on 24 September 2020 by our Board. The composition of our Risk Management Committee is set out below:

Name	Designation	Directorship
Sim Seng Loong @ Tai Seng	Chairman	Independent Non-Executive Director
Dato' CM Vignaesvaran A/L Jeyandran	Member	Independent Non-Executive Chairman
Goh Keng Tat	Member	Independent Non-Executive Director
Tan Chee Seng	Member	Group Managing Director / Chief Executive Officer

The key duties and responsibilities of our Risk Management Committee as stated in its terms of reference include, amongst others, the following:

(i) to recommend and advise our Board on the material risk issues and to ensure that an effective risk management system is in place for timely identification, mitigation and management of such key risks which may have material impact to our Group and to provide overall direction and decisions on the sustainability governance, strategies, initiatives, performance and processes;

(ii) to safeguard the interest of our Group's assets and / or investments of our shareholders in accordance to our Group's investment objectives by:

(a) overseeing the establishment and implementation of risk management framework and activities in order to identify, analyse, evaluate, manage and monitor the significant financial and non-financial risks, including cyber risk and review the effectiveness of the risk management framework;

(b) ensuring the approved risk management policies and procedures has implemented by the management comprehensively to identify, control and minimise the risk exposures of our Group;

(c) maintaining a close relationship with the Audit Committee to minimise and / or prevent any overlapping of functions with the Audit Committee such as reviewing the adequacy and effectiveness of internal control systems, including financial, operational, compliance and information technology controls; and

(d) providing strategic direction and considering sustainability issues as part of its strategic formulation and ensuring an effective sustainability governance structure is in place;

(iii) to review our Group's risk management framework and major risk policies, as well as provide a forum to review the material exposures and strategies to mitigate risks. This could help in gaining insights from the review and responding fast to the changes arising from the risk management framework under review;

(iv) to review the risk appetite of our Group and advise our Board on the overall risk appetite and risk tolerance of our Group in order to align with our Group's vision and mission; and engage with management to have an ongoing risk appetite dialogue as conditions and circumstances change and new opportunities arise;

(v) to promote a healthy risk culture and watch for dysfunctional behavior that could undermine the effectiveness of the risk management process;

(vi) to review the adequacy of overall risk assessment processes of our Group, and the ability of our Group to identify and manage emerging and / or new material risks;

(vii) to review the risk profile of our Group on a periodic basis and ensure those significant risks which are out of tolerable ranges are being responded with appropriate corrective actions in a timely manner;

(viii) to review the strategies and controls pertaining to transfer of insurable risks, and the adequacy of coverage on such risks, vis-à-vis the risk appetite and the risk profile of our Group;

(ix) to review the strategies and processes pertaining to business continuity management;

(x) to oversee the conduct and review the results of company-wide risk assessments, including the identification and reporting of critical risks;

(xi) to review and recommend the delegation of authority / function (if applicable) to our Board for approval;

(xii) to review the effectiveness of risk mitigating actions, post implementation for major projects and report the same to our Board;

(xiii) to review the strategies pertaining to cyber risk management, including policies and procedures governing cyber risks, and continuously monitor the effectiveness of the implementation of cyber security framework;

(xiv) to review specific operational segments of our Group that may be exposing to unusual significant risks which may have a material impact on the risk profile of our Group and review the reports on any material breaches of risk limits and the adequacy of proposed action plans;

(xv) to report to our Board on its proceedings after each Risk Management Committee meeting. The Risk Management Committee shall make recommendations to our Board as appropriate on any area within its responsibilities or as delegated by our Board, where action or improvement is needed for the adequacy and effectiveness of risk management policies and systems established by management, insurance coverage taken by our Group in respect of risk transfer and strategies and processes pertaining to business continuity management for our Group;

(xvi) to review the statement on risk management and internal control, of which to be included in our annual report and to ensure all relevant information as prescribed in the Listing Requirements is disclosed;

(xvii) to review the sustainability strategies implemented by our Group in respect of engaging stakeholders, materiality assessment, establishing of policies and practices, setting and assessing targets and measuring of actual performance against targets; and

(xviii) to review the sustainability report of our Group and recommend the same to our Board for approval.

4.3.4 Remuneration Committee

The Remuneration Committee was constituted on 24 September 2020 by our Board. The composition of our Remuneration Committee is set out below:

Name	Designation	Directorship
Goh Keng Tat	Chairman	Independent Non-Executive Director
Dato' CM Vignaesvaran A/L Jeyandran	Member	Independent Non-Executive Chairman
Sim Seng Loong @ Tai Seng	Member	Independent Non-Executive Director

The key duties and responsibilities of our Remuneration Committee as stated in its terms of reference include, amongst others, the following:

(i) to recommend and advise our Board on the remuneration and terms of conditions (and where appropriate, severance payments) of the non-independent executive directors, ensuring that remuneration is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high calibre, individuals and so structured as to align their interest with those of our Group and the shareholders;

(ii) to establish a formal and transparent procedure for developing framework or policy on remuneration packages of individual directors, taking into consideration of the following:

(a) in case of non-independent executive directors, the component parts of remuneration should be structured so as to link rewards to corporate and individual's performance; and

(b) in the case of non-executive directors, the level of remuneration should reflect the experience and level of responsibility undertaken by the non-executive director concerned

(iii) to monitor structures and levels of remuneration for other senior management and make recommendations, if appropriate, to ensure consistency with our Group's remuneration objectives;

(iv) to approve any major changes to employee compensation and benefits arrangements applicable to the non-independent executive directors and key senior management such as principal officer of the respective subsidiaries of our Group;

(v) to approve incentive plans for the non-independent executive directors and key senior management, and any amendments to such plan;

(vi) to carry out other responsibilities, functions or assignments as may be defined by our Board from time to time;

(vii) to establish and review the benefits in all its form for the non-independent executive directors, non-executive directors and key senior management positions under the employment within our Group;

(viii) to review and approve annual salary increment and bonuses for the executive directors and key senior management positions under the employment within our Group;

(ix) to obtain external advice, where necessary, on benefits for the non-independent executive directors, non-executive directors and key senior management positions under the employment of our Group;

(x) to review the performance and recommend to our Board for approving the annual total remuneration packages (guaranteed pay, short and long-term incentives and any compensation payable for loss or termination of office or appointment) of individual executive directors and key senior management;

(xi) to determine the remuneration packages of all Directors and the determination should be determined by our Board as a whole and the individual Directors concerned (whether executive or non-executive) should abstain from discussing and from participating in decisions of their own remuneration packages; and

(xii) when considering severance payments, the Remuneration Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds and care should be taken to avoid determining a severance package that public opinion might deem to be excessive.

4.3.5 Nomination Committee

The Nomination Committee was constituted on 24 September 2020 by our Board. The composition of our Nomination Committee is set out below:

Name	Designation	Directorship
Dato' CM Vignaesvaran A/L Jeyandran	Chairman	Independent Non-Executive Chairman
Goh Keng Tat	Member	Independent Non-Executive Director
Sim Seng Loong @ Tai Seng	Member	Independent Non-Executive Director

The key duties and responsibilities of our Nomination Committee as stated in its terms of reference include, amongst others, the following:

(i) to assess new appointments by:

(a) considering and recommending to our Board candidates for directorships, proposed by Management, Directors of our Group, shareholder or outsourced service providers, taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, competence, professionalism and integrity. For the position of independent director, the Nomination Committee should also evaluate the ability of the candidates to discharge such responsibilities as expected from the independent director;

(b) evaluating the balance of skills, knowledge, experience and diversity on the Board, the current and future needs and the size of our Group in identifying suitable candidates before any appointment by our Board;

(c) recommending to our Board candidates to fill the seats on Board committees, in consultation with the Chairman of those committees. In the event that the position of Chairman (regardless of Board / Committee) is to be filled, shall consult with our Board; and

(d) considering and recommending to our Board the candidates for executive directors, non-executive directors, principal officer(s) and / or key senior management, taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, professionalism, integrity and diversity on senior management;

(ii) to assess re-election, re-appointment and resignation / termination by:

(a) recommending to our Board on the candidates for re-election of Directors by shareholders under the annual re-election provisions or retirement, with due consideration to the extent to which the interplay of the Directors' expertise, skills, knowledge and experience with those other Board members, as well as their roles as committee members;

(b) dealing with the matters relating to the continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of our Group, subject to the provisions of the law and their service contract; and

(c) reviewing the re-appointment of any non-executive director at the conclusion of his / her term of office, having given due regard to his / her performance and ability to continue to contribute to our Board in terms of knowledge, skills and experience required;

(iii) to assess specific nomination and review succession planning by:

(a) understanding the current performance, competencies and potential of those holding key senior management positions in order to identify and develop plans for those key talents;

(b) recommending to our Board on the succession plans for chairman of our Board, directors of our Company, principal officers and / or key senior management personnel, particularly for both non-independent executive and non-executive directors and the re-appointment of any non-executive director at the conclusion of his / her specified term of office; and

(c) recommending suitable candidate for the role of Senior Independent Director, as may be necessary;

(iv) to review the annual performance assessment of our Board, committees and Directors by:

(a) reviewing the required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of our Board, as a whole, our Board committees and the contribution of each individual Directors annually. All evaluations carried out by the Nomination Committee in discharging of its functions should be properly documented;

(b) reviewing the time required for non-executive directors and independent non-executive directors annually. Performance assessments should be undertaken to assess whether the directors are spending enough time to fulfill their duties;

(c) evaluating and appraising the performance of the chairman of our Board;

(d) reviewing the independence of the independent directors annually and recommend to our Board whether the independent directors who has / have exceeding the cumulative term of 9 years should remain as independent or be re-designated;

(e) reviewing the performance of the non-independent executive directors annually; and

(f) reviewing the term of office of the Audit Committee and each of its members annually to determine whether the Audit Committee has carried out their duties in accordance with their terms of reference.

(v) to determine the size of our Board and independent directors by:

(a) assessing the desirable balance in Board membership by reviewing the size, structure and composition of our Board, taking into consideration the number of directorships;

(b) assessing the desirable number of independent directors;

(c) considering the representation of interest groups as part of boardroom diversity. Factors to consider may include gender, race, religion, nationality, professional background and culture; and

(d) taking into account of:

- the provisions of our Constitution, the Act, the Listing Requirements and other laws and regulations, if any, in respect of the appointment, removal, etc. of directors;

- the need for our Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organisations that may be able to advise; and

- the overall composition and balance of our Board;

(vi) to ensure continuous education / development by:

(a) identifying suitable orientation, educational and training programmes for continuous development of Directors;

(b) ensuring all Directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements; and

(c) assessing the Audit Committee members' knowledge on financial literacy.

4.4 KEY SENIOR MANAGEMENT

4.4.1 Key senior management team

The composition of our key senior management team is set out below:

Name	Age	Nationality	Designation / Function
Tan Chee Seng	37	Malaysian	CEO
Lee Miew Lan	46	Malaysian	COO
Liew Yu Hoe	37	Malaysian	CIO
Soh Meng Siit	44	Malaysian	Chief Financial Officer

4.4.2 Profiles of our key senior management

The profiles of our key senior management, Tan Chee Seng, Lee Miew Lan and Liew Yu Hoe are set out in Sections 4.1.2 and 4.2.2 of this Prospectus respectively.

The profile of our other key senior management is as follows:

(i) Soh Meng Siit

Soh Meng Siit, a Malaysian, aged 44, is our Chief Financial Officer ("**CFO**"). She is responsible for overseeing and managing the overall financial matters of our Group including accounting, taxation, treasury and budgeting as well as providing financial advices to the management for decision making.

She obtained her Association of Accounting Technicians ("**AAT**") qualification in January 1998 and a Bachelor of Science (Hons) Applied Accounting from Oxford Brookes University, United Kingdom in 2002. She also obtained the Association of Chartered Certified Accountants ("**ACCA**") accreditation in February 2008. She became an affiliate of ACCA since March 2008 until she became a member of ACCA in April 2019, a membership status which she assumes to present. She has also been a member of the Malaysian Institute of Accountants since August 2019.

Upon obtaining her AAT qualification, she began her career as an Accounts Assistant in Melodious Paradise Sdn Bhd in April 1998 where she was involved in the preparation of the company's accounts. Thereafter, she was promoted to Accounts Supervisor where she was responsible for coordinating the preparation of the company's accounts, before she left in April 2000. In May 2000, she joined WTA Resources Sdn Bhd as Accounts Assistant. In May 2002, she was promoted to Accounts Supervisor where she led the preparation of the company's accounts. While pursuing her career, she undertook part-time studies and subsequently obtained her Bachelor of Science (Hons) Applied Accounting degree in 2002.

In August 2003, she was transferred to a related company of WTA Resources Sdn Bhd, namely William C.H. Tan Consultancy Sdn Bhd as Tax Assistant where she was involved in tax planning and the preparation and submission of tax computation for clients. In February 2005, she left William C.H. Tan Consultancy Sdn Bhd and joined Wellness Laboratories Centre Sdn Bhd in March 2005 as Accounts and Admin Manager where she managed the daily finance and accounting functions as well as administrative and human resources functions of the company. In July 2006, she left Wellness Laboratories Centre Sdn Bhd to focus on her ACCA studies where she subsequently obtained her ACCA accreditation in February 2008.

On 16 January 2008, she established Humacc Management Consultancy with a partner, to provide outsourced accounting and payroll services as well as HR consulting. She founded Best Firm Sdn Bhd in August 2019 to undertake company secretarial business, and Humacc Sdn Bhd in December 2019 with intention to take over and expand Humacc Management Consultancy's business. Shortly after, she decided to join our Group and hence, she left both Best Firm Sdn Bhd and Humacc Sdn Bhd by resigning from her directorships and transferring her entire equity interests to a third party in December 2019.

In December 2019, she ceased her responsibilities and disposed her interest in Humacc Management Consultancy to join our Group in January 2020 as our Financial Controller, and she was subsequently re-designated as our CFO in February 2020 where she assumed her current responsibilities. Since then, Humacc Management Consultancy has remained dormant.

4.4.3 Shareholdings of our key senior management

The direct and indirect shareholdings of our key senior management, Tan Chee Seng, Lee Miew Lan and Liew Yu Hoe before and after our IPO are set out in Section 4.2.3 of this Prospectus.

The following table sets out the direct and indirect shareholdings of our other key senior management, assuming full subscription of Pink Form Shares reserved for our eligible employees.

	As at the LPD and before our IPO				After our IPO (1)			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Soh Meng Siit	-	-	-	-	1,400,000	0.63	-	-

Note:

(1) Assuming full subscription of the Pink Form Shares reserved for our eligible employees.

(The rest of this page is intentionally left blank)

4.4.4 Principal directorship of our key senior management and principal business activities performed outside of our Group

Soh Meng Siit

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation	Equity interest (%)
Past Involvement					
Humacc Sdn Bhd	(a) Accounting, and bookkeeping activities; and (b) Business management consultancy services.	Director	16 December 2019	31 December 2019	-
Best Firm Sdn Bhd	(a) Secretarial support services; and (b) Business management consultancy services.	Director	30 August 2019	31 December 2019	-

4.4.5 Key senior management's remuneration and benefits-in-kind

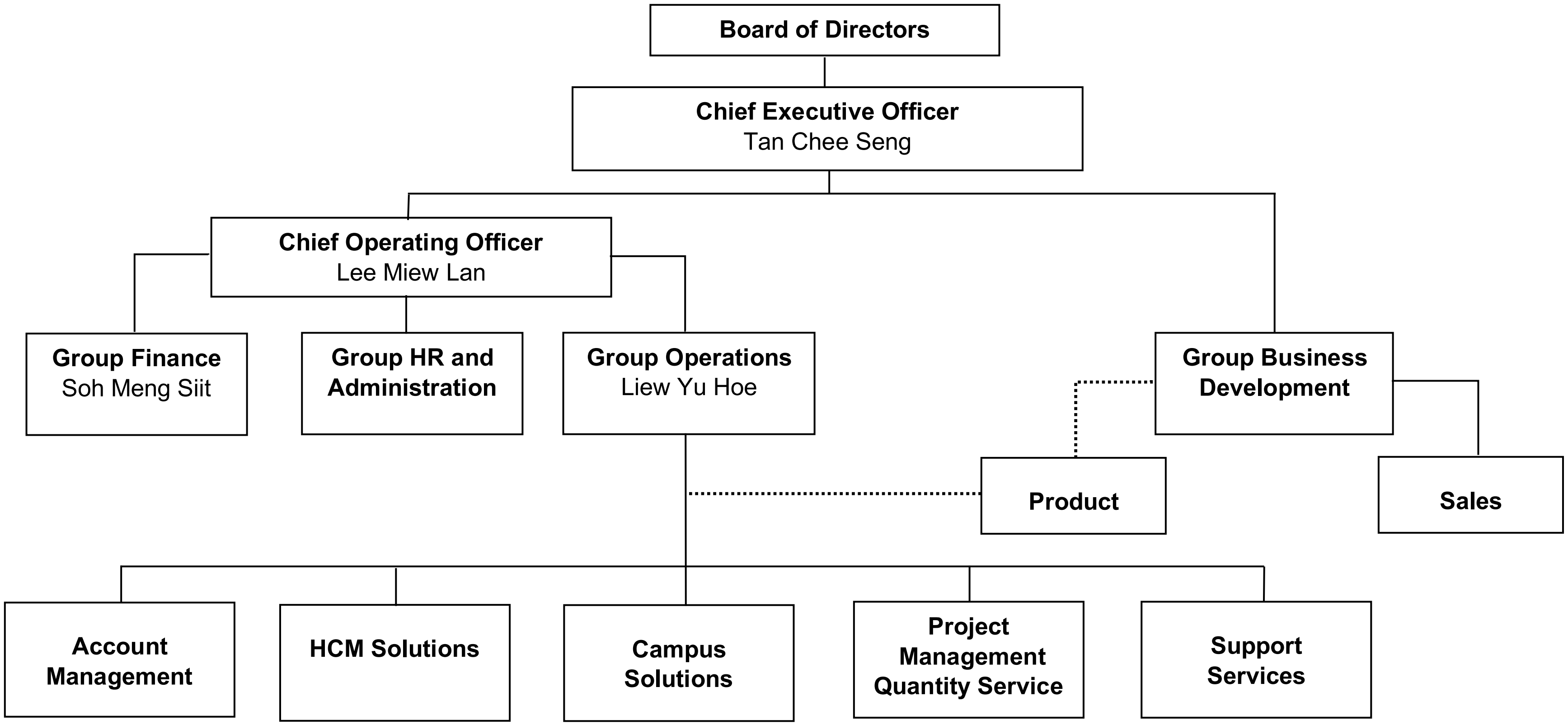
The aggregate remuneration and material benefits-in-kind paid to our CEO, COO and CIO for FYE 2019 and FYE 2020, and proposed to be paid for FYE 2021 are set out in Section 4.2.5 of this Prospectus. The aggregate remuneration and material benefits-in-kind paid to our CFO for services rendered in all capacities to our Group for FYE 2019 and FYE 2020, and proposed to be paid for FYE 2021 are as follows:

	Remuneration band (RM)		
Name	**FYE 2019 RM'000**	**FYE 2020 RM'000**	**FYE 2021 RM'000**
Soh Meng Siit	-	150 - 200	300 - 350

(The rest of this page is intentionally left blank)

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

4.5 MANAGEMENT REPORTING STRUCTURE



4.6 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, none of our Promoters, Directors and key senior management is or has been involved in any of the following events (whether in or outside Malaysia):

(i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management;

(ii) such person was disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) in the last 10 years, such person was charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last 10 years, any judgement was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

(v) in the last 10 years, such person was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(vi) such person was the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;

(vii) in the last 10 years, such person has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and

(viii) any unsatisfied judgement against such person.

Our Independent Non-Executive Chairman, Dato' CM Vignaesvaran A/L Jeyandran was investigated by the Malaysian Anti-Corruption Commission ("**MACC**") in relation to allegations of misconduct during his tenure as CEO of HRDF in 2018. The investigation commenced following his resignation from HRDF in June 2018 and the investigation was concluded in February 2020. Notwithstanding any information available in the public domain, Dato' CM Vignaesvaran A/L Jeyandran was officially cleared and had no further action taken against him by the MACC. We are confident that this will not affect the discharge of his duties and obligations as our Independent Non-Executive Chairman.

4.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save for the Related Parties whom are persons connected to Tan Chee Seng or Lee Miew Lan, as at the LPD, there is no family relationship and / or association between any of our Promoters, substantial shareholders, Directors and key senior management.

4.8 SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements entered into or to be entered into by our Directors or any member of our key senior management with our Group.

4.9 MANAGEMENT SUCCESSION PLAN

Our future success also depends on our ability to attract and retain skilled personnel. Our strategies to retain our key senior management and attract new personnel include, amongst others, succession planning and promotion opportunities, attractive remuneration packages and training activities.

Our succession plan consists of:

(i) selection and recruitment: identifying key competencies and requirements for managerial and key senior positions for succession planning; and identifying potential successor's readiness to facilitate skills transfer so as to ensure smooth running and continuity of the operations of our Group;

(ii) attractive remuneration packages and employee benefits;

(iii) career planning and development: our senior management trains the lower and middle management staff to gradually assume more responsibilities; and

(iv) continuous training and education: our middle management actively participate in discussions and decision-making in various operations of our Group. Such active participation will ensure better understanding of our operations and enable the personnel to equip themselves with the necessary knowledge and skills to succeed in senior management roles.

(The rest of this page is intentionally left blank)

5. INFORMATION ON OUR GROUP

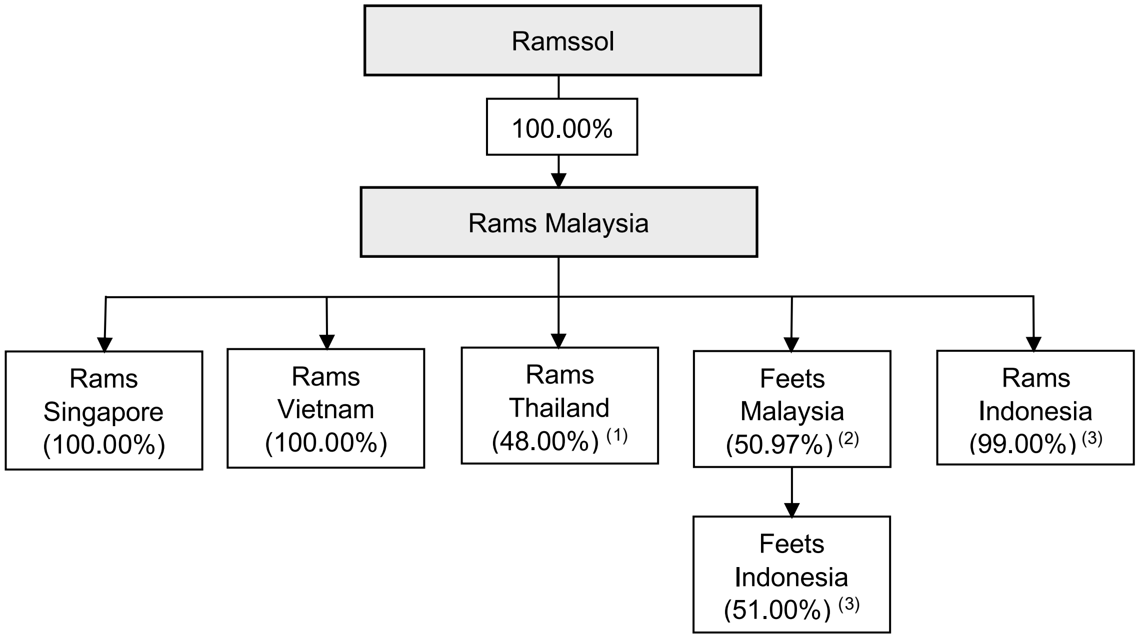
5.1 OUR COMPANY

Our Company was incorporated in Malaysia on 10 January 2019 under the Act as a private limited company under the name of Ramssol Group Sdn Bhd. We subsequently converted to a public limited company on 22 September 2020 to facilitate our Listing.

Our principal activity is in investment holding while the principal activities of our subsidiaries are disclosed in Section 5.4 of this Prospectus.

5.2 OUR GROUP

Our Group was formed on 17 May 2021 pursuant to the completion of the Acquisition and Rams Malaysia became a wholly-owned subsidiary of our Company. As at the LPD, our Group structure is as follows:



***Notes**:*

(1) We have sought legal opinion from a Thai legal counsel, AWP & Alliance (formerly known as Apisith & Alliance), to confirm the legality of the shareholding arrangement, differing dividend right for different classes of shares and assignment of dividends between the shareholders of Rams Thailand in accordance with the laws of Thailand, who confirmed, amongst others, the following:

(a) that there are no specific anti-fronting laws in Thailand;

(b) as set out in the table below, Rams Thailand has complied with the requirement under the Thailand Civil and Commercial Code that a limited liability company incorporated in Thailand is required to have at least 3 shareholders;

(c) under the Thailand Foreign Business Act B.E. 2542 (1999), a foreign entity is where a foreign individual or company holds the majority equity interest in a Thai limited company. Conversely, it is a requirement that a local Thai limited company must have the majority of its equity interest held by a Thai national. Narathip Phopikul, a Thai national who is the financial controller of Rams Thailand holds preference shares equivalent to 51% equity interest in Rams Thailand. Rams Thailand is therefore not regarded as a foreign entity under the Thailand Foreign Business Act B.E. 2542 (1999) as the majority of its shares are held by a Thai national. As such, the shareholding structure of Rams Thailand as set out in the table below is in compliance with the laws of Thailand;

(d) further, the Articles of Association of Rams Thailand also do not contain any provisions that restrict foreigners from owning shares in Rams Thailand, which therefore allows Rams Malaysia and Tan Chee Seng to hold the remaining equity interests in Rams Thailand; and

(e) based on the shareholders' rights to dividend as set out in Article 6 of the Articles of Association of Rams Thailand, Narathip Phopikul is entitled to receive a dividend of THB 1 for every 1,000 preference shares held, whereas Rams Malaysia and Tan Chee Seng are each entitled to receive a dividend of THB 1 for every 1 ordinary share held. Further, Tan Chee Seng has also assigned his rights to dividend in Rams Thailand to Rams Malaysia. Accordingly, Narathip Phopikul is only entitled to 0.10% of the dividends to be declared by Rams Thailand, whilst Rams Malaysia (including Tan Chee Seng's assigned dividends) is entitled to 99.90% of the dividends to be declared by Rams Thailand. The differing right to dividend assigned to different classes of shares based on their respective shareholdings set out in the table below is in compliance under the laws of Thailand.

Shareholders	**Number of shares**	**%**	**Rights to dividend**	**Dividend entitlement (%)**
Ordinary Shares				
Rams Malaysia	9,600	48.00	THB 1 per 1 ordinary share	97.90
Tan Chee Seng	200	1.00	THB 1 per 1 ordinary share	2.00
Preference Shares				
Narathip Phopikul	10,200	51.00	THB 1 per 1,000 preference shares	0.10
Total	**20,000**	**100.00**		**100.00**

In view of the confirmation provided above by the Thai legal counsel, we note that there has not been any breach of any specific anti-fronting law as may be applicable to Rams Thailand.

Pursuant to the above, as set out in the Accountants' Report in Section 13 of this Prospectus, the financial performance of Rams Thailand is consolidated 99.90% in Rams Malaysia.

(2) Remaining ordinary shares are held by Wong Kum Loong (46.03%), our substantial shareholder, and Nekhat Sultana Binti Tarique Azam (3.00%), a Malaysian national. Wong Kum Loong became a substantial shareholder of Feets Malaysia on 2 June 2020 as he saw potential growth in the employee engagement mobile application, Feet's. The equity participation of Wong Kum Loong is an opportunity for Feets Malaysia to obtain financial support by way of additional equity injection, if required, for the working capital requirements of Feet's and to expand the business of Feet's through his business network in Indonesia. As for Nekhat Sultana Binti Tarique Azam, she played an advisory role for Feet's in areas of animation, user experience and visual effects at the development stage of Feet's. Currently, she is no longer involved in her advisory capacity.

(3) Remaining ordinary shares are held by Ivana S., an Indonesian national. As a local, her connection and understanding of the Indonesian market are important to the planning and sales strategies of the Group's product and services in Indonesia.

(The rest of this page is intentionally left blank)

5.3 SHARE CAPITAL

As at the LPD, our issued share capital is RM6,220,234 comprising 167,291,500 Shares.

Details of the changes in the issued share capital of our Company since its incorporation up to the LPD are as follows:

(i) Ordinary shares

Date of allotment	No. of Shares	Nature of transaction	Consideration	Cumulative issued share capital (RM)	Cumulative no. of Shares
10 January 2019	10,000	Subscriber's share	Cash	10,000	10,000
17 May 2021	3,450,000	Acquisition	Shares issued as consideration for the Acquisition	1,323,070	3,460,000
21 May 2021	430,500	Conversion of RCPS [(1)]	Shares issued pursuant to the Conversion of RCPS	6,220,234	3,890,500
24 May 2021	163,401,000	Subdivision of Shares	Pursuant to the Subdivision of Shares	6,220,234	167,291,500

(ii) RCPS

Date of allotment	No. of RCPS allotted	Nature of transaction	Consideration	Cumulative issued share capital (RM)	Cumulative no. of RCPS
30 June 2020	3,553,000	Issuance of Class A RCPS	Issuance of 3,553,000 Class A RCPS at an issue price of RM1.00 each	3,553,000	3,553,000
30 June 2020	940,000	Issuance of Class B RCPS	Issuance of 940,000 Class B RCPS at an issue price of RM1.00 each	4,493,000	4,493,000
21 May 2021	(4,493,000)	Conversion of RCPS [(1)]	RCPS converted pursuant to Conversion of RCPS	-	-

Note:

(1) Pursuant to the Conversion of RCPS as set out in Section 5.5.1(b) of this Prospectus.

Upon completion of our Public Issue, our issued share capital will increase to RM29,322,234 comprising 223,051,500 Shares.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital in respect of the Shares in our Company. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the allotments as tabulated above.

As at the LPD, we are not involved in any winding-up, receivership or similar proceedings.

5.4 DETAILS OF OUR SUBSIDIARIES

As at the LPD, the details of our subsidiaries are as follows:

Name and registration no.	Date / Place of incorporation	Principal place of business	Effective equity interest (%)	Principal activities
Rams Malaysia 201001027162 (911081-K)	10 August 2010 / Malaysia	Malaysia	100.0	Business of software development and advisory
Rams Singapore 201020340N	23 September 2010 / Singapore	Singapore	100.0	Provision of human resource consultancy services to corporate clients
Rams Vietnam 0312238022	30 March 2013 / Vietnam	Vietnam	100.0	Provision of management consulting services for enterprises
Rams Thailand 0105558028423	13 February 2015 / Thailand	Thailand	99.90 (1)	Provision of information technology consultancy services
Feets Malaysia 201701021208 (1235374-D)	15 June 2017 / Malaysia	Malaysia	50.97	Provision of internet related services in relation to the business of mobile application, electronic commerce, information systems integration and administration; provision of computer programming activities; provision of research and development on ICT
Rams Indonesia AHU-0010582. AH.01.11.Tahun 2019	10 January 2019 / Indonesia	Indonesia	99.0	Provision of management consulting services for enterprises
Feets Indonesia AHU-0010575. AH.01.11.Tahun 2019	10 January 2019 / Indonesia	Indonesia	26.0 (2)	Provision of internet related services in relation to the business of mobile application, electronic commerce, information systems integration and administration; provision of computer programming activities; provision of research and development on ICT

***Notes**:*

(1) Please refer to Note (1) of Section 5.2 of this Prospectus for further details on the effective equity interest in Rams Thailand.

(2) Our effective equity interest in Feets Indonesia is 26.00% through our direct equity interest of 50.97% in Feets Malaysia which has a direct equity interest of 51.00% in Feets Indonesia.

5.4.1 Our Subsidiaries

(i) Rams Malaysia

(a) Background and history

Rams Malaysia was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 10 August 2010 and deemed registered under the Act, under the name of RAMS Solutions Sdn. Bhd. Rams Malaysia commenced its operations in 2014.

(b) Principal place of business

Rams Malaysia's principal place of business is at our Group's headquarters located at B-04-05, Tamarind Square, Persiaran Multimedia, Cyber 10, 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia.

(c) Principal activities and products / services

Rams Malaysia is principally involved in the business of software development and advisory.

(d) Share capital

As at the LPD, the issued share capital of Rams Malaysia is RM500,001 comprising 500,001 ordinary shares.

The changes in Rams Malaysia's issued share capital since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Cash consideration (RM)	Cumulative no. of shares	Cumulative share capital (RM)
10 August 2010	3	3	3	3
16 August 2013	49,998	49,998	50,001	50,001
1 November 2013	300,000	300,000	350,001	350,001
6 March 2017	150,000	150,000	500,001	500,001

(e) Shareholder

Rams Malaysia became our wholly-owned subsidiary upon completion of the Acquisition on 17 May 2021.

(f) Subsidiary or associated company

As at the LPD, the subsidiaries of Rams Malaysia are Rams Singapore, Rams Thailand, Rams Vietnam, Rams Indonesia, Feets Malaysia and Feets Indonesia.

(ii) Rams Singapore

(a) Background and history

Rams Singapore was incorporated in Singapore as a private limited company on 23 September 2010 under the name of Risorsa Umana Solutions Pte. Ltd. Rams Singapore commenced its operations in 2011.

(b) Principal place of business

Rams Singapore's principal place of business is at 15 Beach Road, #02-01 Beach Centre, Singapore 189677.

(c) Principal activities and products / services

Rams Singapore is principally involved in the provision of human resource consultancy services to corporate clients.

(d) Share capital

As at the LPD, the issued share capital of Rams Singapore is SGD300,000 comprising 300,000 ordinary shares.

The changes in Rams Singapore's issued share capital since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Cash consideration (SGD)	Cumulative no. of shares	Cumulative share capital (SGD)
9 September 2010	4	4	4	4
20 December 2010	180,000	180,000	180,004	180,004
8 April 2011	59,100	59,100	239,104	239,104
20 March 2013	60,000	60,000	299,104	299,104
20 September 2016	896	896	300,000	300,000

(e) Shareholder

Rams Singapore is a wholly-owned subsidiary of Rams Malaysia, which in turn is our wholly-owned subsidiary.

(f) Subsidiary or associated company

Rams Singapore does not have any subsidiary or associated company.

(iii) **Rams Vietnam**

(a) **Background and history**

Rams Vietnam was incorporated in Vietnam as a private limited company on 30 March 2013 under the name of Risorsa Umana Solutions Vietnam Company Limited. Rams Vietnam commenced its operations in 2013.

(b) **Principal place of business**

Rams Vietnam's principal place of business is at No. 469 Dien Bien Phu, Ward 3, District 3, Ho Chi Minh City, Vietnam.

(c) **Principal activities and products / services**

Rams Vietnam is principally involved in the provision of management consulting services for enterprises.

(d) **Share capital**

As at the LPD, the issued share capital of Rams Vietnam is VND3,000,000,000.

The changes in Rams Vietnam's issued share capital since incorporation are as follows:

Date of change in issued share capital	No. of ordinary shares allotted	Cash consideration (VND)	Cumulative no. of shares	Cumulative share capital (VND)
30 March 2013	Not applicable	2,000,000,000	Not applicable	2,000,000,000
21 May 2015	Not applicable	1,000,000,000	Not applicable	3,000,000,000

As at the LPD, Rams Vietnam does not have any warrant, option or convertible securities in issue or any uncalled capital.

(e) **Shareholder**

Rams Vietnam is a wholly-owned subsidiary of Rams Malaysia, which in turn is our wholly-owned subsidiary.

(f) **Subsidiary or associated company**

As at the LPD, Rams Vietnam does not have any subsidiary or associated company.

(iv) Rams Thailand

(a) Background and history

Rams Thailand was incorporated in Thailand as a private limited company on 13 February 2015, under the name RAMS Solutions Co., Ltd. Rams Thailand commenced its operations in 2017.

(b) Principal place of business

Rams Thailand's principal place of business is at No. 173, Asia Center, 27th floor, South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok, 10120.

(c) Principal activities and products / services

Rams Thailand is principally involved in the provision of information technology consultancy services.

(d) Share capital

As at the LPD, the issued share capital of Rams Thailand is THB2,000,000 comprising 9,800 ordinary shares and 10,200 preference shares.

The changes in Rams Thailand's issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Cash consideration (THB)	Cumulative no. of shares	Cumulative share capital (THB)
Ordinary				
24 March 2015	9,800	100	9,800	980,000
Preference				
24 March 2015	10,200	100	10,200	1,020,000

(e) Shareholder

The shareholders of Rams Thailand are as follows:

		Direct		Indirect	
Shareholder	Type	No. of shares	(%)	No. of shares	(%)
Rams Malaysia	Ordinary	9,600	48.00	-	-
Tan Chee Seng	Ordinary	200	1.00	-	-
Narathip Phopikul	Preference	10,200	51.00	-	-
Ramssol	Ordinary	-	-	(1) 9,600	48.00

Note:

(1) Deemed interested pursuant to Section 8 of the Act through the shareholdings of our Company in Rams Malaysia.

(f) Subsidiary or associated company

As at the LPD, Rams Thailand does not have any subsidiary or associated company.

(v) Feets Malaysia

(a) Background and history

Feets Malaysia was incorporated in Malaysia under the Act as a private limited company on 15 June 2017 under the name of Feets Sdn. Bhd. Our in-house employee engagement mobile application, Feet's was launched in Malaysia in March 2019.

(b) Principal place of business

Feets Malaysia's principal place of business is located at B-03-05, Tamarind Square, Persiaran Multimedia, Cyber 10, 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia.

(c) Principal activities and products / services

Feets Malaysia is principally involved in the provision of internet related services in relation to the business of mobile application, electronic commerce, information systems integration and administration; provision of computer programming activities; provision of research and development on ICT.

(d) Share capital

As at the LPD, the issued share capital of Feets Malaysia is RM3,002 comprising 3,002 ordinary shares.

The changes in Feets Malaysia's issued share capital since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Cash consideration (RM)	Cumulative no. of shares	Cumulative share capital (RM)
15 June 2017	2	2	2	2
23 August 2017	3,000	3,000	3,002	3,002

(e) Shareholder

The shareholders of Feets Malaysia are as follows:

	Direct		Indirect	
Shareholder	**No. of shares**	**(%)**	**No. of shares**	**(%)**
Rams Malaysia	1,530	50.97	-	-
Wong Kum Loong (1)	1,382	46.03	-	-
Nekhat Sultana Binti Tarique Azam	90	3.00	-	-
Ramssol	-	-	(3) 1,530	50.97

Notes:

(1) On 2 June 2020, Wong Kum Loong acquired a 46.03% equity interest in Feets Malaysia from Tan Chee Seng and Lee Miew Lan as he saw potential growth in our employee engagement mobile applicable, Feet's.

(2) Deemed interested pursuant to Section 8 of the Act through the shareholdings of our Company in Rams Malaysia.

(f) Subsidiary or associated company

As at the LPD, the subsidiary of Feets Malaysia is Feets Indonesia.

(vi) **Rams Indonesia**

(a) **Background and History**

Rams Indonesia was incorporated in Indonesia as a private limited company on 10 January 2019 under the name of PT RAMS Solutions Nusantara. Rams Indonesia commenced its operations in 2020.

(b) **Principal place of business**

Rams Indonesia's principal place of business is at SOHO Podomoro Cityland Apartemen Soho, Tower Maple Unit 33-17, Jl. Letjen S. Parman No. Kav. 28, Kelurahan Tanjung Duren Utara, Kecamatan Grogol Petamburan, Administrative City of West Jakarta, DKI Jakarta, Indonesia.

(c) **Principal activities and products / services**

Rams Indonesia is principally involved in the provision of management consulting services for enterprises.

(d) **Share capital**

As at the LPD, the issued share capital of Rams Indonesia is USD250,000 comprising 250,000 ordinary shares.

There is no change in Rams Indonesia's issued share capital since incorporation.

(e) **Shareholder**

The shareholders of Rams Indonesia are as follows:

	Direct		Indirect	
Shareholder	**No. of shares**	**(%)**	**No. of shares**	**(%)**
Rams Malaysia	247,500	99.00	-	-
Ivana S.	2,500	1.00	-	-
Ramssol	-	-	(1) 247,500	99.00

Note:

(1) Deemed interested pursuant to Section 8 of the Act through the shareholdings of our Company in Rams Malaysia.

(f) **Subsidiary or associated company**

As at the LPD, Rams Indonesia does not have any subsidiary or associated company.

(vii) Feets Indonesia

(a) Background and history

Feets Indonesia was incorporated in Indonesia as a private limited company on 10 January 2019 under the name of PT Feets Tech Indo. Our in-house employee engagement mobile application, Feet's was launched in Indonesia in October 2019.

(b) Principal place of business

Feets Indonesia's principal place of business is at Soho Capital 19th Floor, Unit 01-09, Podomoro City, Letjend S. Parman Street Kav 28, Tanjung Duren Selatan, Grogol Petamburan, West Jakarta, 11470 Indonesia.

(c) Principal activities and products / services

Feets Indonesia is principally involved in the provision of internet related services in relation to the business of mobile application, electronic commerce, information systems integration and administration; provision of computer programming activities; provision of research and development on ICT.

(d) Share capital

As at the LPD, the issued share capital of Feets Indonesia is USD250,000 comprising 250,000 ordinary shares.

There is no change in Feets Indonesia's issued share capital since incorporation.

(e) Shareholder

The shareholders of Feets Indonesia are as follows:

	Direct		Indirect	
Shareholder	**No. of shares**	**(%)**	**No. of shares**	**(%)**
Feets Malaysia	127,500	51.00	-	-
Ivana S.	122,500	49.00	-	-
Rams Malaysia	-	-	(1) 127,500	51.00
Ramssol	-	-	(2) 127,500	51.00

Notes:

(1) Deemed interested pursuant to Section 8 of the Act through the shareholdings of Rams Malaysia in Feets Malaysia.

(2) Deemed interested pursuant to Section 8 of the Act through the shareholdings of our Company in Rams Malaysia.

(f) Subsidiary or associated company

Feets Indonesia does not have any subsidiary or associated company.

5.5 LISTING SCHEME

5.5.1 Details of the Listing Scheme

In conjunction with and as an integral part of our listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities, our Company undertook a Listing Scheme which involved the following which are inter-conditional among each other:

(a) Acquisition

Our Company had entered into a conditional sale and purchase agreement dated 18 August 2020 with the vendors of Rams Malaysia to acquire the entire issued share capital of Rams Malaysia comprising 500,001 ordinary shares for a purchase consideration of RM1,313,070, satisfied wholly by the issuance of 3,450,000 new Shares at an issue price of RM0.3806 per Share.

The purchase consideration was based on the audited consolidated NTA of Rams Malaysia as at 31 December 2019 of RM1,313,256.

The shareholdings of the vendors of Rams Malaysia in our Company pursuant to the Acquisition are as follows:

Vendors	No. of shares in Rams Malaysia	Equity interest in Rams Malaysia (%)	Purchase Consideration (RM)	No. of Ramssol Shares Issued
Tan Chee Seng	270,301	54.06	709,846	1,865,070
Lee Miew Lan	180,200	36.04	473,230	1,243,380
Wong Kum Loong	35,000	7.00	91,915	241,500
Liew Yu Hoe	14,500	2.90	38,079	100,050
Total	**500,001**	**100.00**	**1,313,070**	**3,450,000**

The Acquisition was completed on 17 May 2021 and Rams Malaysia became a wholly-owned subsidiary of our Company. Following the completion of the Acquisition, our issued share capital increased from 10,000 Shares to 3,460,000 Shares.

(b) Conversion of RCPS

Between June 2019 and April 2020, our Company accepted pre-IPO investments in the form of RCPS. The total amount of investment received from 38 pre-IPO investors pursuant to RCPS subscription agreements entered into between 1 June 2019 and 28 April 2020 for the subscription of RCPS is RM4,493,000 comprising 4,493,000 RCPS.

The RCPS comprises of:

(i) 3,553,000 Class A RCPS which are offered to business associates of Tan Chee Seng, Lee Miew Lan and our Group with a subscription price of RM1.00 per Class A RCPS. The Class A RCPS will be converted into new Shares at conversion ratio of 100 Class A RCPS for 10 new Shares.

(ii) 940,000 Class B RCPS which are offered to the Related Parties and other parties with a subscription price of RM1.00 per Class B RCPS. The Class B RCPS will be converted into new Shares at conversion ratio of 100 Class B RCPS for 8 new Shares.

There will be no further cash payment upon Conversion of RCPS.

The salient terms of the RCPS are as follows:

Type		Class A RCPS	Class B RCPS
Subscription price	:	RM1.00 per RCPS.	
Seniority	:	The Class A RCPS shall rank equally with Class B RCPS and senior to all other issued securities of Ramssol and vice versa.	
Conversion	:	(a) The Class A RCPS will be converted into new ordinary shares in Ramssol at conversion ratio of one (1) Class A RCPS for zero point one (0.1) new ordinary share in Ramssol or such other ratio as may be approved by the holders of the Class A RCPS by way of a special resolution.	(a) The Class B RCPS will be converted into new ordinary shares in Ramssol at conversion ratio of one (1) Class B RCPS for zero point zero eight (0.08) new ordinary share in Ramssol or such other ratio as may be approved by the holders of the Class B RCPS by way of a special resolution.
		(b) The Class A RCPS shall be converted by Ramssol into ordinary shares in the share capital of Ramssol at the conversion ratio at no further costs upon receipt of the necessary approvals from amongst others, Bursa Securities, SC and Equity Compliance Unit of the SC in connection with the Listing or at such other time as may be approved by the holders of the Class A RCPS by way of a special resolution.	(b) The Class B RCPS shall be converted by Ramssol into ordinary shares in the share capital of Ramssol at the conversion ratio at no further costs upon receipt of the necessary approvals from amongst others, Bursa Securities, SC and Equity Compliance Unit of the SC in connection with the Listing or at such other time as may be approved by the holders of the Class B RCPS by way of a special resolution.
Moratorium	:	Upon the Conversion, the holders of RCPS shall not within one (1) year from the date of admission of Ramssol on the ACE Market of Bursa Securities, transfer or assign to any person or entity, any ordinary shares or other equity securities that are convertible or exchangeable or that represents a right to receive equity of Ramssol.	
Redemption	:	(a) No Listing In the event there is no Listing for whatsoever reason within two (2) years from the date of issuance of the RCPS, the holders of RCPS shall be entitled to require Ramssol to redeem, subject to compliance with applicable laws, all the outstanding RCPS at the subscription price for each RCPS together with an internal rate of return of ten percent (10%). (b) Listing cancelled by Ramssol In the event Ramssol elects to cancel or withdraw the Listing, at any time within two (2) years from the date of issuance of the RCPS, the holders of RCPS shall be entitled to require Ramssol to redeem, subject to compliance with applicable laws, all the outstanding RCPS at the subscription price for each RCPS together with an internal rate of return of ten percent (10%). (c) For the avoidance of doubt, the payment of redemption price to the holders of RCPS shall be by way of cash.	

Voting right	:	The holders of RCPS shall not be entitled to receive notice of or to attend or vote at any general meeting of Ramssol ("**General Meeting**") unless: (a) the business of the General Meeting includes the consideration of a resolution that varies or abrogates the rights attached to the RCPS; or (b) the business of the General Meeting includes the consideration of a resolution to wind up Ramssol.
Additional rights and privileges	:	The holders of RCPS shall (subject to the relevant laws, regulations and privileges) also have the following additional rights and privileges: (a) the right to repayment of capital paid up on the Class A RCPS in the event of the winding up of Ramssol in pari passu with Class B RCPS and vice versa, and in priority to all other classes of shares of Ramssol; (b) the right to return of capital paid up on the Class A RCPS by way of cash or assets in the event of a capital reduction exercise of Ramssol in pari passu with Class B RCPS and vice versa, and in priority to all other classes of shares of Ramssol; and (c) the right to receive all notices, accounts and reports of Ramssol to which the holders of ordinary shares of Ramssol are entitled to receive.
Transfer	:	The RCPS shall not be transferable save and except in accordance with the provisions of the constitution of Ramssol.
Dividends	:	The RCPS is not entitled to be paid any dividends by Ramssol.

(The rest of this page is intentionally left blank)

5. INFORMATION ON OUR GROUP *(CONT'D)*

The Promoters' and substantial shareholders' shareholdings in our Company after the Conversion of RCPS are as follows:

	Before Conversion of RCPS				After Conversion of RCPS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares [1]	(%)	No. of Shares	(%)	No. of Shares [2]	(%)	No. of Shares	(%)
Promoters and substantial shareholders								
Tan Chee Seng	1,870,479	54.06	-	-	1,870,479	48.08	-	-
Lee Miew Lan	1,246,986	36.04	-	-	1,246,986	32.05	-	-
Promoters / Related Parties [3]								
Tan Eng Hua	-	-	-	-	[4] 5,200	0.13	-	-
Ong Bee Geok	-	-	-	-	[4] 5,200	0.13	-	-
Tan Chee Boon	-	-	-	-	[4] 5,200	0.13	-	-
Lee Mun Keong	-	-	-	-	[4] 5,200	0.13	-	-
Chan Kwai Chee	-	-	-	-	[4] 5,200	0.13	-	-
Lai Wai Fun	-	-	-	-	[4] 10,400	0.27	-	-
Substantial shareholders								
Wong Kum Loong	242,200	7.00	-	-	242,200	6.23	-	-
Tan Sri Dr Lim Wee Chai [5]	-	-	-	-	[6] 200,000	5.14	-	-

Notes:

(1) Shareholders' shareholding after the Acquisition.

(2) Shareholders' shareholding after Conversion of RCPS.

(3) These individuals are the holders of Class B RCPS who are persons connected to Tan Chee Seng or Lee Miew Lan.

(4) After conversion of Class B RCPS at a conversion ratio of 100 RCPS for 8 new Shares.

(5) Tan Sri Dr Lim Wee Chai is one of the holders of Class A RCPS. Upon Conversion of RCPS, Tan Sri Dr Lim Wee Chai became a substantial shareholder of our Company.

(6) After conversion of 2,000,000 Class A RCPS at a conversion ratio of 100 RCPS for 10 new Shares.

5. INFORMATION ON OUR GROUP *(CONT'D)*

Following the completion of the Conversion of RCPS on 21 May 2021, our issued share capital increased from 3,460,000 Shares to 3,890,500 Shares.

Upon the Conversion of RCPS, the holders of Class A RCPS and Class B RCPS will be subject to moratorium for a period of 12 months from the date of Listing as set out in Section 11.2 of this Prospectus.

(c) Subdivision of Shares

Immediately after the Conversion of RCPS, we undertook a subdivision of 3,890,500 existing Shares into 167,291,500 new Shares on the basis of 43 new Shares for every 1 existing Shares held. The purpose of the Subdivision of Shares is to increase our Share base and to enhance the liquidity of the Shares of the Group, post Listing.

The promoters' and substantial shareholders' shareholdings in our Company after the Subdivision of Shares are as follows:

	Before Subdivision of Shares				After Subdivision of Shares			
	Direct		Indirect		Direct		Indirect	
	No. of Shares (1)	(%)	No. of Shares	(%)	No. of Shares (2)	(%)	No. of Shares	(%)
Promoters and substantial shareholders								
Tan Chee Seng	1,870,479	48.08	-	-	80,430,597	48.08	-	-
Lee Miew Lan	1,246,986	32.05	-	-	53,620,398	32.05	-	-
Promoters / Related Parties								
Tan Eng Hua	5,200	0.13	-	-	223,600	0.13	-	-
Ong Bee Geok	5,200	0.13	-	-	223,600	0.13	-	-
Tan Chee Boon	5,200	0.13	-	-	223,600	0.13	-	-
Lee Mun Keong	5,200	0.13	-	-	223,600	0.13	-	-
Chan Kwai Chee	5,200	0.13	-	-	223,600	0.13	-	-
Lai Wai Fun	10,400	0.27	-	-	447,200	0.27	-	-
Substantial shareholders								
Wong Kum Loong	242,200	6.23	-	-	10,414,600	6.23	-	-
Tan Sri Dr Lim Wee Chai	200,000	5.14	-	-	8,600,000	5.14	-	-

Notes:

(1) Shareholders' shareholding after the Acquisition and Conversion of RCPS.

(2) Shareholders' shareholdings after the Subdivision of Shares.

The Subdivision of Shares was completed on 24 May 2021.

5. INFORMATION ON OUR GROUP *(CONT'D)*

(d) IPO

Subsequently, we will undertake an IPO, the details of which are set out in Section 3 of this Prospectus.

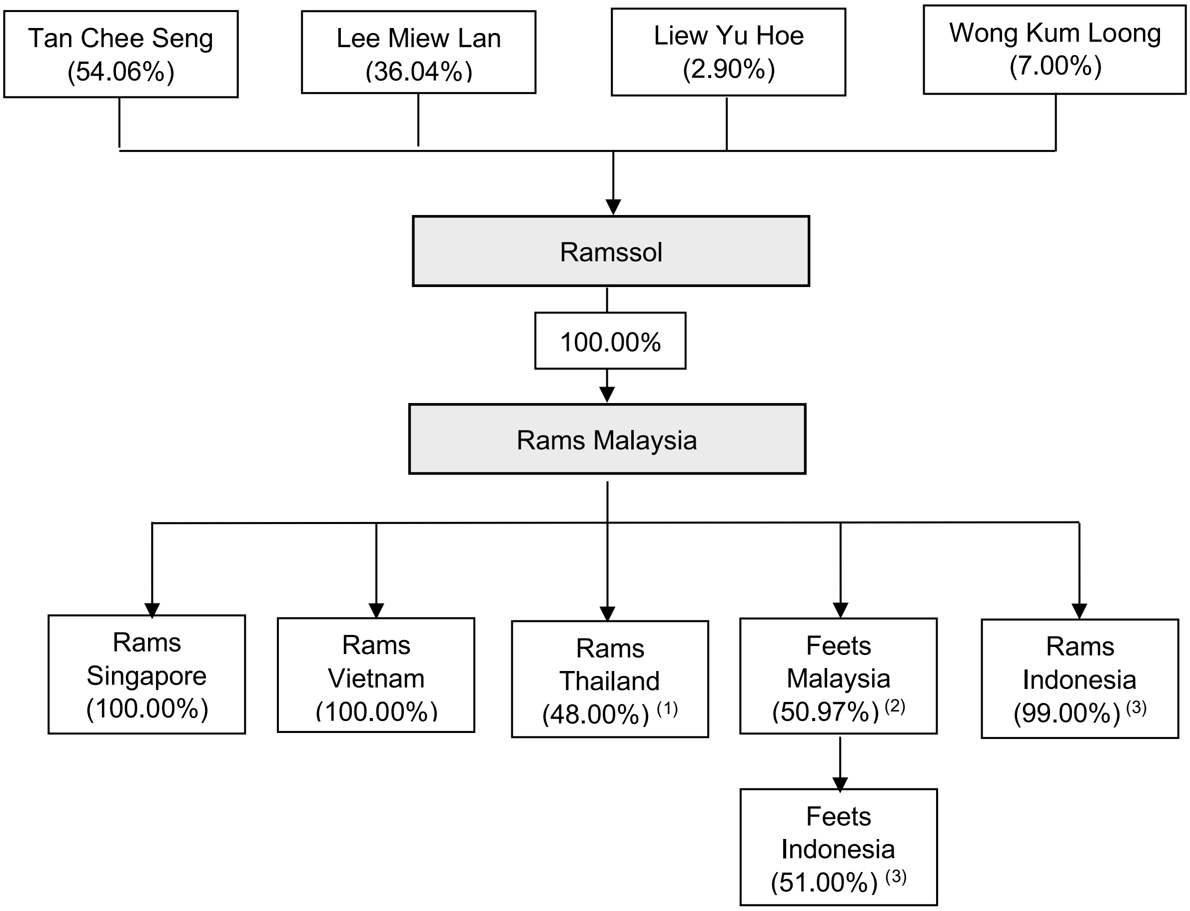
(e) Listing of and quotation for our Shares

Upon completion of our IPO, our Company will seek the admission of our Shares into the Official List and the listing of and quotation for our enlarged issued share capital on the ACE Market of Bursa Securities.

(The rest of this page is intentionally left blank)

5.5.2 Our Group structure before and after the IPO

Our Group structure after the completion of the Acquisition on 17 May 2021 is as follows:



***Notes**:*

(1) Please refer to Note (1) of Section 5.2 of this Prospectus for further details on the effective equity interest in Rams Thailand.

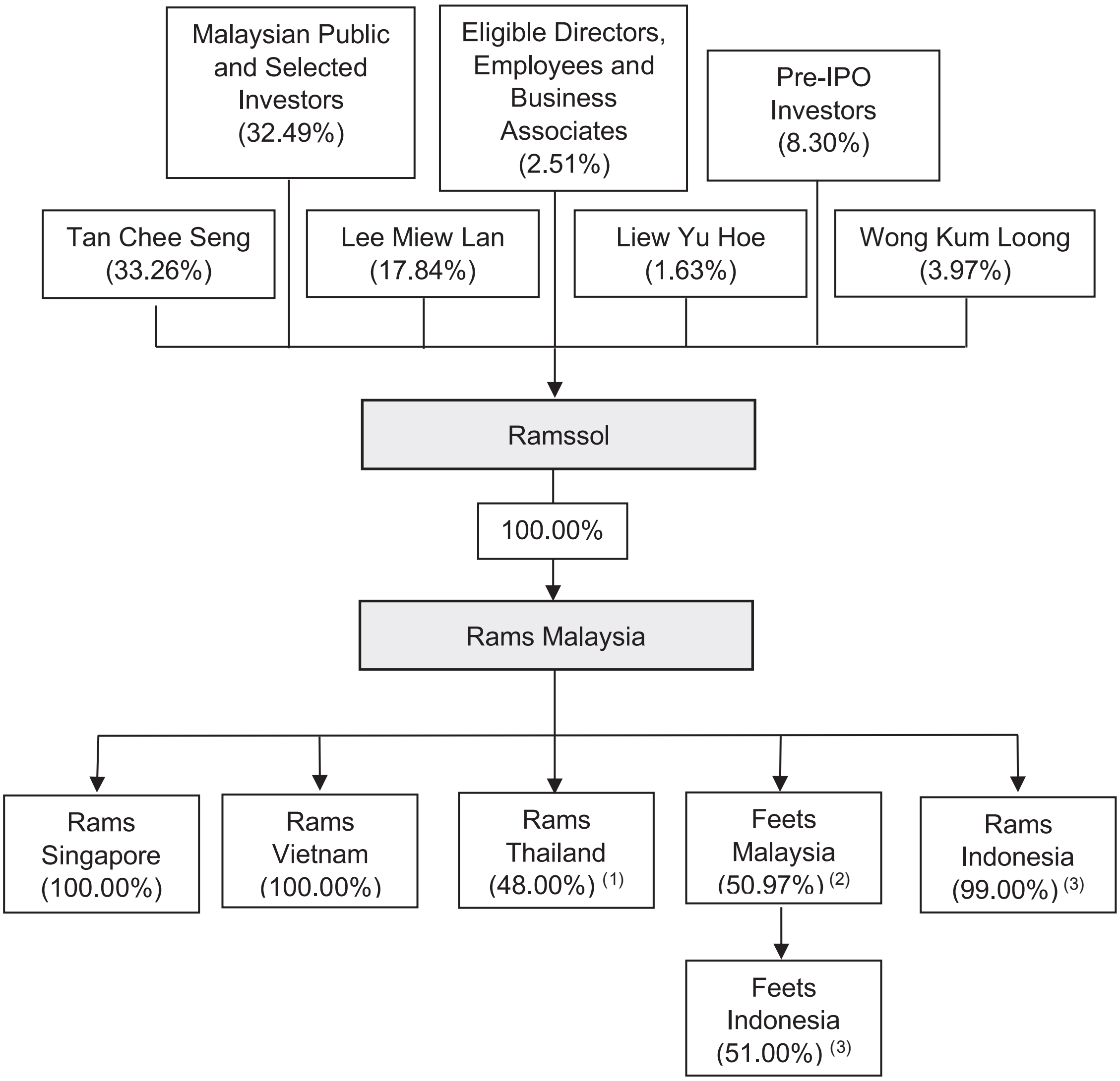
(2) Remaining ordinary shares are held by Wong Kum Loong (46.03%), our substantial shareholder, and Nekhat Sultana Binti Tarique Azam (3.00%), a Malaysian national. Wong Kum Loong became a substantial shareholder of Feets Malaysia on 2 June 2020 as he saw potential growth in the employee engagement mobile application, Feet's. The equity participation of Wong Kum Loong is an opportunity for Feets Malaysia to obtain financial support by way of additional equity injection, if required, for the working capital requirements of Feet's and to expand the business of Feet's through his business network in Indonesia. As for Nekhat Sultana Binti Tarique Azam, she played an advisory role for Feet's in areas of animation, user experience and visual effects at the development stage of Feet's. Currently, she is no longer involved in her advisory capacity.

(3) Remaining ordinary shares are held by Ivana S., an Indonesian national. As a local, her connection and understanding of the Indonesian market are important to the planning and sales strategies of the Group's product and services in Indonesia.

(The rest of this page is intentionally left blank)

5. INFORMATION ON OUR GROUP *(CONT'D)*

Our Group structure after the IPO is as follows:



***Notes**:*

(1) Please refer to Note (1) of Section 5.2 of this Prospectus for further details on the effective equity interest in Rams Thailand.

(2) Remaining ordinary shares are held by Wong Kum Loong (46.03%), our substantial shareholder, and Nekhat Sultana Binti Tarique Azam (3.00%), a Malaysian national. Wong Kum Loong became a substantial shareholder of Feets Malaysia on 2 June 2020 as he saw potential growth in the employee engagement mobile application, Feet's. The equity participation of Wong Kum Loong is an opportunity for Feets Malaysia to obtain financial support by way of additional equity injection, if required, for the working capital requirements of Feet's and to expand the business of Feet's through his business network in Indonesia. As for Nekhat Sultana Binti Tarique Azam, she played an advisory role for Feet's in areas of animation, user experience and visual effects at the development stage of Feet's. Currently, she is no longer involved in her advisory capacity.

(3) Remaining ordinary shares are held by Ivana S., an Indonesian national. As a local, her connection and understanding of the Indonesian market are important to the planning and sales strategies of the Group's product and services in Indonesia.

6. BUSINESS OVERVIEW

6.1 HISTORY AND MILESTONES

Commencement of our HCM solutions business in Singapore

Our history can be traced back to 10 August 2010 when Rams Malaysia was incorporated by Tan Chee Seng (our CEO), Lee Miew Lan (our COO) and another business partner (a non-related party who subsequently disposed all his shares in 2011 to another business partner who ceased to be a director of Rams Malaysia on 9 June 2017 and subsequently disposed his entire equity interest in Rams Malaysia on 6 June 2018 to Lee Miew Lan and Tan Chee Seng), to undertake HCM and student management solutions business, primarily using Oracle Corp's HCM and student management software. Prior to the incorporation of Rams Malaysia, Tan Chee Seng and Lee Miew Lan had been involved in the provision of HCM solutions for 4 years and 12 years respectively. They built their reputations in the industry through their proven success and experience in the provision of HCM solutions, and also maintained business relationships with industry stakeholders including software vendors and other third party solution providers. Rams Singapore was subsequently incorporated on 23 September 2010 as a separate entity by Tan Chee Seng, Lee Miew Lan and another business partner (who ceased to be a director of Rams Singapore on 1 July 2017 and disposed his entire equity interest in Rams Singapore on 1 April 2019 to Rams Malaysia). Rams Singapore then became a wholly-owned subsidiary of Rams Malaysia in April 2019.

In 2011, Rams Singapore was appointed by a third party solution provider to provide consulting and implementation of HCM solutions for CapitaLand Limited in Singapore, and it marked our first project and commencement of our business. Over the years, Rams Singapore was involved in multiple HCM solution projects for the subsidiaries and branches of CapitaLand Limited in other countries including China, Japan, India, Australia and New Zealand. In 2011, Rams Singapore also extended its offerings to CapitaLand Limited by providing IT staff augmentation services.

In 2013, Rams Malaysia and Rams Singapore were registered as OPN member under Oracle PartnerNetwork Agreement as further detailed in Section 6.18.1 of this Prospectus, which allowed us to purchase and resell Oracle Corp's HCM software licences to our customers. Please refer to Section 6.3.1(v) of this Prospectus for the details of our partnerships with Oracle Corp over the years.

In the same year, as we had enhanced our financial capabilities and had developed a more established presence in Singapore, we successfully secured our first project directly from CapitaLand Limited where Rams Singapore provided consulting and implementation of HCM solutions directly to CapitaLand Limited. Prior to this, all of our HCM solutions implementation projects using Oracle Corp's software were secured through Oracle Corp's representatives or third party solution providers (i.e. IT companies) whereby we acted as the subcontractor for their HCM solution projects or we supply in-house consultants to them.

Our track record for the provision of HCM and student management solutions to organisations and educational institutions in Singapore is set out in Section 6.3.1(iv) of this Prospectus.

Expansion of our HCM solutions business to Vietnam

In 2013, our Group expanded our HCM solutions business to Vietnam through the incorporation of our Vietnam entity, Rams Vietnam on 30 March 2013 in Ho Chi Minh City. At that point in time, Rams Vietnam was incorporated as a wholly-owned subsidiary of Rams Singapore, to serve as a support centre providing off-site technical support and maintenance services to our customers in Singapore. This support function had been relocated to Rams Malaysia in 2017, to centralise our Group's support function in providing off-site technical support and maintenance services to all our customers in Southeast Asia. Rams Vietnam then became a wholly-owned subsidiary of Rams Malaysia in December 2019.

In 2015, Rams Vietnam secured its first consulting project directly from a BPO company in Vietnam, namely Harvey Nash Vietnam Co., Ltd., whereby our consulting services covered the review of a software system and the feasibility study of software upgrade including determining the prerequisites in terms of hardware and software needed for the software upgrade Please refer to Section 6.3.1(iv) of this Prospectus for the details of services provided to this customer.

Commencement and growth of HCM solutions business in Malaysia

In 2014, our Group commenced our operations in Malaysia when Rams Malaysia secured its first project in Malaysia through an appointment by Oracle Corporation Malaysia Sdn Bhd ("**Oracle Malaysia**") to provide consulting and implementation of HCM solutions for RHB Bank Berhad, where we migrated its HR functions from their existing HR system to a new HCM system using Oracle Corp's HCM software.

In the same year, Rams Malaysia was appointed by Oracle Malaysia to provide consulting of student management solutions for Multimedia University. Following which, we have won projects involving several other educational institutions in the subsequent years. Please refer to Section 6.3.1(iv) of this Prospectus for our track record in HCM and student management solutions in Malaysia.

Expansion of our HCM solutions business to Thailand

In 2015, our Group established our presence in Thailand through the incorporation of our Thailand entity, Rams Thailand on 13 February 2015 in Bangkok as a separate entity by Tan Chee Seng, Lee Miew Lan and another business partner (who ceased to be a director of Rams Thailand on 7 January 2019 and disposed his entire equity interest in Rams Thailand on 24 October 2018 to Rams Malaysia). Rams Thailand then became a 48.00%-owned associate company of Rams Malaysia in October 2018.

In 2017, Rams Thailand secured its first HCM solution project directly from a local recruitment and BPO company, namely P.R. Recruitment and Business Management Co., Ltd, for consulting and implementation of HCM solutions. Our track record in HCM solutions in Thailand is set out in Section 6.3.1(iv) of this Prospectus.

Introduction of Feet's, our in-house employee engagement mobile application

After accumulating years of experience in the provision of HCM solutions, we recognised that effective communication between employees and active engagement in organisational activities improve overall work efficiency and enhance employee commitment. Thus, we started the R&D of an employee engagement mobile application in 2017 in collaboration with a professor from UMCH Technology Sdn Bhd, a company nurtured by the University of Malaya. In March 2019, our in-house employee engagement mobile application Feet's, was launched under Feets Malaysia, which was incorporated on 15 June 2017 as a separate entity by Tan Chee Seng and Lee Miew Lan. Feets Malaysia then became a 50.97%-owned subsidiary of Rams Malaysia in December 2018.

Expansion of our business to Indonesia

In December 2018, through Rams Malaysia, we successfully secured our first project in Indonesia with CV Surya Mandiri for the provision of consulting and implementation of HCM solutions as well as sale of software licences. Following which, Rams Indonesia and Feets Indonesia were both incorporated on 10 January 2019 in Jakarta, to officially expand our business presence in Indonesia. Rams Indonesia was incorporated as a 99.00%-owned subsidiary of Rams Malaysia, while Feets Indonesia was incorporated as a 51.00%-owned subsidiary of Feets Malaysia. Rams Indonesia was set up to expand our HCM solutions business in Indonesia and Feet's Indonesia was set up to market Feet's in Indonesia. Our track record in consulting and implementation of HCM solutions in Indonesia is set out in Section 6.3.1(iv) of this Prospectus.

Incorporation of our investment holding company

On 10 January 2019, Ramssol Group Sdn Bhd was incorporated as an investment holding company, and was converted to a public company on 22 September 2020 to facilitate our listing on the ACE Market of Bursa Securities. Please refer to Section 5.2 of this Prospectus for details of our Group structure.

Inclusion of Lark to our product offerings

In February 2020, our subsidiary Rams Malaysia entered into a Lark Partner Network Agreement with Lark Technologies Pte Ltd and became a reseller of Lark, a third party collaboration platform, in Asia Pacific region (including Japan and excluding Mainland China). The inclusion of Lark in our offerings complements our range of HCM offerings, allowing us to have a comprehensive suite of HCM solutions and technology. Leveraging on our years of involvement in the HCM solutions industry and clientele base, we have an existing pool of potential customers whom we can promote and sell Lark to. As such, the expansion of our offerings to include Lark is expected to provide us with additional stream of revenue and avenue for future growth as well as strengthen our position as a HCM solution and technology specialist.

Business expansion into the provision of IT-related training and reselling of Zoom

In August 2020, through our subsidiary, Rams Malaysia, our Group expanded our business into the provision of IT-related training. As a beginning, we provide IT-related training to unemployed Malaysians through an agreement with Megatech under the Penjana Kerjaya Program introduced by the Government's Ministry of Human Resource. Please refer to Sections 6.3.3(iii) and 6.6(vi) of this Prospectus for further details on our provision of IT-related training.

In November 2020, our Group expanded our offerings under HCM technology application business to include the reselling of subscriptions of an enterprise unified communications platform named Zoom, developed by Zoom Video Communications, Inc, a United States-based company that offers video conferencing, web conferencing and webinar services. Further, we have also integrated Zoom's video and audio functionalities into Feet's, thereby enhancing Feet's features. Please refer to Sections 6.3.3(i) and 6.3.1(iv) of this Prospectus for further details on Zoom.

6.2 KEY AWARDS, CERTIFICATIONS AND RECOGNITIONS

The awards, certifications and recognitions received by our subsidiaries are as follows:

Year	Award, certification and recognition received	Awarding body
2014	MSC Malaysia Status	MDEC
2016	25 Most Promising Oracle Solution Providers	APAC CIO Outlook magazine
	Top 10 Oracle Cloud Solution Providers	CIO Advisor magazine
2018	Top 25 HR Technology Solution Providers	APAC CIO Outlook magazine
2020	Best SME - HR Solution Provider	SME and Entrepreneurs Business Awards (SEBA)

6.3 PRINCIPAL BUSINESS ACTIVITIES AND PRODUCTS/SERVICES

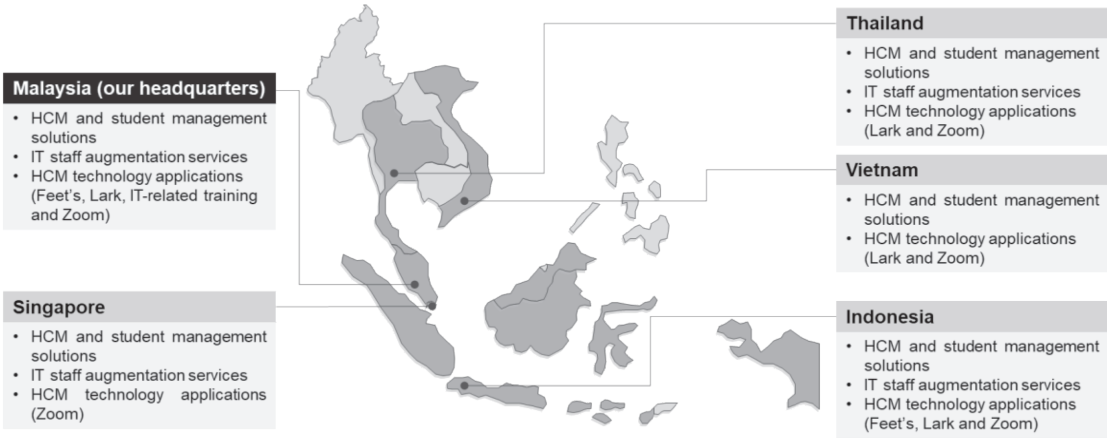
We are a HCM solution and technology specialist. Our principal business activities are as follows:

(i) Provision of HCM and student management solutions, comprising:
- consulting and implementation
- sale of software licences
- technical support and maintenance services

(ii) Provision of IT staff augmentation services

(iii) Provision of HCM technology applications, comprising:
- Feet's, our in-house employee engagement mobile application
- Lark, a third party collaboration platform
- IT-related training
- Zoom, a third party enterprise unified communications platform

Our operations are headquartered in Malaysia, and we have overseas offices across Southeast Asia, namely in Singapore, Thailand, Indonesia and Vietnam. The offerings of our headquarters and each of our overseas offices are as shown below:



All our offices serve as the sales office for the respective countries. We also have local consultant(s) based at each of our offices for the pre-sales activities, and some consulting and implementation works as well as on-site technical support and maintenance services for our HCM and student management solutions. Our technical support centre is centralised in our headquarters at Malaysia to provide off-site technical support services to all of our customers locally and overseas.

Our business can be summarised in the business model below, with further explanations set out in Sections 6.3.1, 6.3.2 and 6.3.3 of this Prospectus.

Ramssol Group			
Principal business activities	**Provision of HCM and student management solutions**	**Provision of IT staff augmentation services** (1)	**Provision of HCM technology applications** (2)
Our expertise	- Consulting and implementation - Sale of software licences - Technical support and maintenance services	Recruit and supply suitable IT professionals for a fixed contractual period	- Development of in-house employee engagement mobile application, Feet's - Distribution of third party collaboration platform, Lark - Provision of IT-related training - Reselling of third party enterprise unified communications platform, Zoom
Our customers	- Organisations, i.e. business organisations and government agencies (end-users) - Educational institutions (end-users) - Software vendors - Third party solution providers	- Business organisations	- Business organisations (Feet's, Lark and Zoom) - Educational institutions (IT-related training)
Our principal markets	- Malaysia - Singapore - Thailand - Indonesia - Vietnam	- Malaysia - Singapore	- Malaysia (Feet's, Lark, IT-related training and Zoom) - Singapore (Zoom) - Thailand (Zoom) - Indonesia (Feet's and Zoom) - Vietnam (Zoom)

Notes:

(1) Revenue from the provision of IT staff augmentation is currently derived from Malaysia and Singapore. However, this service can be extended to Thailand and Indonesia, depending on the customers' requests.

(2) Feets is currently offered in Malaysia and Indonesia only, while Lark is currently offered in Malaysia. However, Feet's can be offered to other countries which we have business presence in, such as Singapore, Thailand and Vietnam; while Lark can also be offered to Thailand, Indonesia and Vietnam. Our Group does not intend to resell Lark in Singapore as our principal, Lark Technologies Pte Ltd is based in Singapore and organisations that are interested in signing up Lark would approach Lark Technologies Pte Ltd directly. IT-related training is currently provided to unemployed Malaysians through Megatech, an educational institution in Malaysia. Zoom is currently offered in all countries which we have business presence in, namely Malaysia, Singapore, Thailand, Indonesia and Vietnam.

6.3.1 HCM and student management solutions

HCM and student management solutions are IT solutions designed for management of employees and students respectively. It uses HCM and student management software to automate administration processes and data processing, as well as to streamline policies and practices throughout organisations and educational institutions for effective monitoring and analysis of employee and student data, thus improving the efficiency of workforce management functions of organisations and student management functions of educational institutions, respectively.

HCM solutions

HCM solutions are IT solutions designed for HR management of organisations using HCM software. A HCM software comprises various standard modules designed by the software vendors. These modules will be customised and incorporated with predefined HR policies set by organisations, to form a HCM solution that assists the organisations in all aspects of HR management from hiring to resignation/retirement, as illustrated as follows:

Hiring → Resignation/ retirement

Recruitment and onboarding	Daily HR management	Remuneration and statutory contribution	Performance management	Exit and retirement
• Candidate management • Screening and background checking • On-boarding and induction programme	• Payroll and claims processing • Attendance tracking • Leave management • Workforce planning	• Retirement fund management • Employee tax management • Benefits management	• Appraisal and performance review • Career development planning • Training and succession planning	• Resignation and retirement management • Feedbacks management

HCM solutions reduce the volume of manual tasks and time spent on administrative processes, and allow HR departments to spend more time on increasing the value of employees to the employer (e.g. performance improvement, career advancement, employee engagement and improved employee retention rate). As such, HCM solutions enable HR functions to be carried out more efficiently and increase the overall productivity of a business.

HCM solutions also contain data analytics functions to enable HR personnel to collect and analyse employee data from a large workforce conveniently and swiftly. This allows the HR personnel to identify any workforce issues across all departments within an organisation accurately, as well as make data-driven decisions and take proactive measures to improve the talent strategies of the organisation. For more advanced data analytics, our HCM solutions can be incorporated with predictive analytics or AI modules designed by the software vendors. Predictive analytics uses historical employee data to provide predictions and insights to an organisation's workforce such as workforce performance, retention and attrition rates as well as any potential shortages of resources. This allows employers to gain insights to possible future trends of their HR conditions, thus allowing employers to plan ahead for their talent development and management strategies to ensure their HR functions can support the financial and operational growth of the organisations. Further, AI contains machine learning capabilities which help organisations to enhance, automate and speed up their HR processes. For instance, AI can be applied in an organisation's talent recruitment process whereby it helps to create a ranked list of potential candidates whose skills best align with the organisation's job specifications. This eases the process of filtering the candidates, allowing the HR personnel to focus on assessing and interviewing candidates, thus delivering more value to the organisation.

We mainly provide HCM solutions using Oracle PeopleSoft HCM, Oracle Cloud HCM and Oracle Taleo Talent Acquisition, all of which are third party HCM software developed and owned by Oracle Corp. Oracle Corp is a multinational corporation based in the United States of America specialising in IT software and solutions covering multiple aspects of business operations and management, such as HCM, enterprise resource planning and supply chain management. Please refer to the Section 6.3.1(v) of this Prospectus for our partnerships with Oracle Corp. In addition, our subsidiary Rams Malaysia also provide HCM solutions using Sage EasyPay, a third party HCM software for our HCM solutions, which is developed and owned by Sage. Sage is a multinational technology company based in the United Kingdom supplying enterprise resource planning software that manages accounting, HR, payroll, payments, assets, real estate and enterprise systems. In comparison to Oracle Corp's HCM software, Sage EasyPay is a more affordable HCM software that focuses on the basic functions of HR management such as payroll and claims processing, leave management, attendance tracking, workforce planning, retirement fund and employee tax management as well as training and appraisal. It does not cover all aspects of HR management from hiring to resignation / retirement. For example, Sage EasyPay does not offer the modules for recruitment and on-boarding of new employees.

Student management solutions

Student management solutions are IT solutions designed for student management of educational institutions using student management software. A student management software comprises various standard modules designed by the software vendors. These modules will be customised and incorporated with predefined campus policies set by educational institutions, to form a student management solution that assists the organisations in all aspects of student management from enrolment to graduation, as illustrated as follows:

Enrolment → Graduation

Admission and registration	Academic management	Non-academic management	Financial-related management	Expulsion and graduation
• Entry requirements screening • Orientation programme	• Registration of study programme • Distribution of learning materials • Examination and grades management • Attendance tracking • Timetable management	• Hostel management • Library management • Welfare management • Sports and recreational facilities management • Events and news announcement • Co-curriculum activities management	• Fees payment • Scholarship management	• Expulsion management • Graduation and alumni management

We provide student management solutions using Oracle PeopleSoft Campus Solutions developed and owned by Oracle Corp. Please refer to the Section 6.3.1(v) of this Prospectus for our partnerships with Oracle Corp.

An overview of our Group's principal business activities in the provision of HCM and student management solutions is illustrated below:

HCM and student management solutions

Business activities	Consulting and implementation	Sale of software licences	Technical support and maintenance services
Suppliers	Third party IT companies as our subcontractors [(1)]	Software vendors	
Offerings	- HCM solutions - Student management solutions	- HCM software licences - Student management software licences	- Troubleshooting and rectification of faults and issues - Monitoring of software performance and software updates
Customers	- Organisations (end-users) - Educational institutions (end-users) - Software vendors - Third party solution providers	- Organisations (end-users) - Educational institutions (end-users)	- Organisations (end-users) - Educational institutions (end-users)

Note:

(1) We outsource some implementation works for HCM solutions that use Oracle Corp's HCM software, to other third party IT companies in the event of resource constraints. Further, we also outsource some specialised IT works which are out of our scope of expertise, such as penetration test during system testing stage, to third party IT companies. Save for the above, the implementation of our HCM and student management solutions are carried out in-house by our team of consultants.

Our Group's expertise in the provision of HCM and student management solutions are detailed as follows:

(i) Consulting and implementation

We provide consulting and implementation of HCM and student management solutions using third party software, as follows:

Consulting

Our consulting services comprise the following essential steps, i.e. understanding an organisation's HR practices through a user requirement study, designing HR workflow processes and solutions to address the organisation's HR issues, and proposing an optimised HCM solution to the organisation.

In the user requirement study, we study and understand all aspects of an organisation's HR practices including their organisational dynamics, culture and strategies, HR policies, HR workflow processes, reporting structure and requirements on the HCM solution. As each organisation has its own unique HR practices and compliance requirements, it is critical to understand each organisation's HR practices and local employment laws in designing and customising a HCM solution. For organisations with existing HCM solutions, we provide health checks on the HCM solutions to identify any problems and/or potential areas for improvement. We also assist organisations to enhance its HR management by introducing the concept of modern key performance indicators such as employees' health, fitness, happiness and levels of engagement, enabling organisations to keep abreast with evolving needs of their workforce and to position themselves as a desired workplace to attract the best talent in the market.

After obtaining all the information needed, we design a HCM solution to assist organisations to transform, improve and digitalise their HR systems with the use of HCM software. We also consider present HR trends and methodologies as well as local employment laws while designing HCM solutions for organisations. For example, we transform organisations' existing HR systems into enhanced HR systems where we revise existing HR manuals to automated HR processes, streamline HR processes to remove bottlenecks and reduce processing time and/or migrate organisations' on-premise HR systems to cloud-based HR systems, with the purpose of improving the accuracy and efficiency of the organisations' HR functions.

For our consulting services for educational institutions, we study and understand their campus and student management practices including campus dynamics, student management processes and requirements for the student management solutions before designing an optimised student management solution.

As HCM and student management solutions are generally complex and with robust functions, it can be challenging for new users to fully understand and use the solutions effectively. Hence, we also provide basic technical training on user guide, basic configurations and maintenance of the HCM and student management solutions to customers (i.e. the end-users) upon request. Our technical training enables our customers to be equipped with the necessary knowledge to use the HCM and student management solutions effectively.

Implementation

The implementation of our HCM solutions includes software customisation, configuration and deployment. Each organisation has different HR policies such as overtime wage rates, leave entitlement, claim limits, key performance index and benefit entitlements such as insurance coverage, dental and optical allowances and vacation allowance. Organisations in different countries are also subject to different employment laws and other rules such as statutory payments and contributions including employee income tax rates, retirement fund contribution rates and workers' compensation funds; employee safety and health standards; and HR audit processes. Further, individual organisations have different requirements for the integration and configuration between modules of HCM software as they have different HR workflow processes.

Likewise, each educational institution has different campus policies and student management workflows such as entry requirements, programme fees, semester schedules and grading systems. Hence, software customisation and configuration with other existing software or systems are required before the deployment of student management solutions to educational institutions.

Our HCM and student management solutions can be customised in terms of the HCM or student management software and modules required, HR or student management workflow, user interface, reporting format and addition of bolt-on modules. Thereafter we are involved in the configuration and linkage between modules of the HCM or student management software. Our HCM solutions may also be linked to other business operations software commonly used by organisations, such as software for finance, administration, production, sales and procurement. Following the system testing and user acceptance testing, we will deploy the HCM or student management solutions and it will then go live and ready for use.

Our HCM and student management solutions mainly comprise default modules of the software developed by the software vendors as the core system. Our HCM and student management solutions may also comprise bolt-on modules (i.e. additional modules developed in-house by our Group or by other HCM software vendors) integrated and configured to the core system, upon request by customers. Our bolt-on modules provide extra customisation for customers, such as to include additional security features and/or supplementary functions to the solutions on top of the default modules of the core systems. It may also be a more cost effective alternative for customers to design and incorporate bolt-on modules to the core system as it may be costly to purchase a single module from the software vendors on a standalone basis. Further, bolt-on modules are usually on-premise modules incorporated to our customers' server or in-house IT system which provides better security and higher speed of data retrieval. As at the LPD, the addition of bolt-on modules to the core systems are applicable to our on-premise HCM and student management solutions. As part of our business strategies, we plan to develop bolt-on modules for our cloud-based solutions, as further explained in Section 6.6(iii) of this Prospectus.

Apart from implementing new HCM and student management solutions, we also transform an organisation's existing HCM solutions or an educational institution's existing student management solutions, to further enhance the functionality and workflow processes according to present trends and methodologies, including amendments to the existing modules, integration and configuration between modules, inclusion of new technology such as predictive analytics and AI modules, migration of on-premise solutions to cloud-based solutions, as well as upgrades of existing software or migration to new software.

Each of our HCM and student management solution projects generally vary, depending on the types of software, modules to be implemented, and complexity of the solutions in terms of the end-users' employee or student management workflow processes, user interface and reporting format. Further, the deployment process of our solutions depends on the availability and readiness of the end-user's system. As such, the scale and implementation timeline of our HCM and student management solutions also vary for each project. Based on our experience since business inception, the implementation duration for a project generally ranges from 3 months to 24 months.

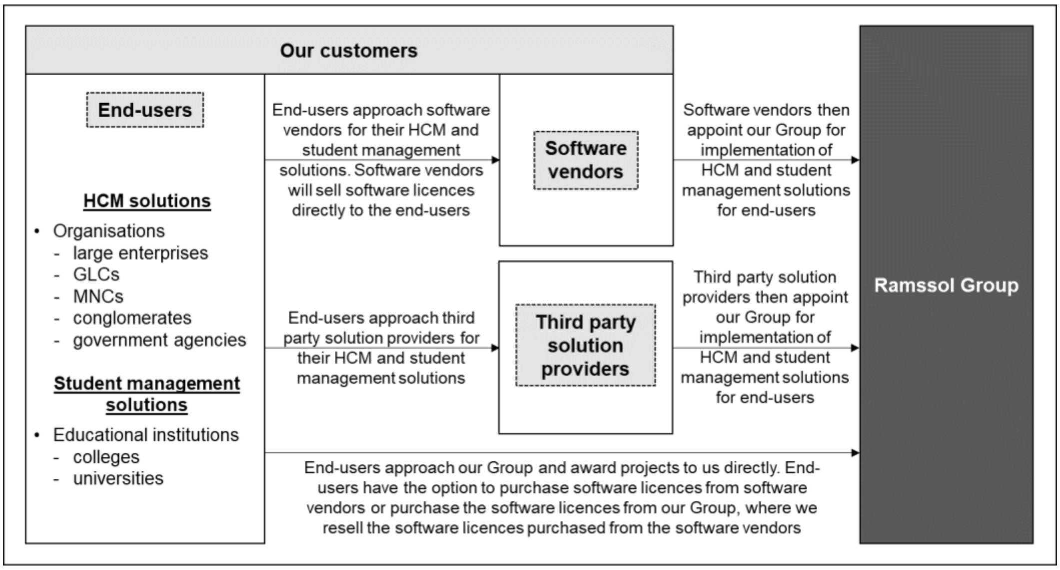
The consulting and implementation of our HCM and student management solutions are carried out by our team of consultants. We also outsource some implementation works for HCM solutions that use Oracle Corp's HCM software, to other third party IT companies in the event of resource constraints. Further, we also outsource some specialised IT works which are out of our scope of expertise, such as penetration test during system testing stage, to third party IT companies.

HCM solutions are most suitable for large organisations for automation of HR processes and management of large volumes of data generated by a large workforce. Hence, our customers comprise large organisations which include large enterprises, government linked companies GLCs, MNCs, conglomerates and government agencies. Our customers for HCM solutions spread across different industries, including hospitality, property development, construction, banking and finance, telecommunication, healthcare, logistics and transportation. Our customers for student management solutions are educational institutions, particularly colleges and universities that have a large number of students who are the end-users of the solutions.

These organisations and educational institutions may approach us and award projects to us directly, and become our customers. They have the option to purchase HCM and student management software licences directly from the software vendors or from our Group, where we resell the software licences purchased from the software vendors. Please refer to Section 6.3.1(ii) for further details on the sale of HCM software licences.

Alternatively, some organisations and educational institutions may approach software vendors directly for their HCM and student management solution projects, respectively. The software vendors sell the software licences to these organisations and educational institutions, and appoint us to provide implementation of the solutions. In such cases, the software vendors are our customers as we act as a subcontractor to the software vendors. Further, some organisations and educational institutions may also approach third party solution providers for their HCM and student management solutions, and the third party solution providers may also eventually subcontract some implementation works to our Group.

The following diagram illustrates the types of customers which we secure our HCM and student management solution projects from:



Notwithstanding the various channels to secure HCM and student management solution projects, our consulting and implementation services are eventually provided to end-users for the purposes of HR management or student management. These end-users may engage our Group for more than 1 project whereby each project may be secured through different channels. In the last 4 FYEs 2017 to 2020, we have provided consulting and / or implementation of HCM and student management solutions to a total of 33 end-users. Among the 33 end-users for which we have provided consulting and / or implementation of HCM and student management solutions to, 75.76% were secured directly from the end-users ("**Channel A**"), 12.12% were secured through software vendors ("**Channel B**"), 6.06% were secured from third party solution providers ("**Channel C**"), and the remaining 6.06% were end-users [(1)] which we secured their projects through a combination of Channel A and Channel B.

Our Group's sales of consulting and implementation of HCM and student management solutions are derived on project basis. The revenue generated from each project is determined based on various factors, including types of HCM or student management software, modules to be implemented, duration of project, number of consultants required and complexity of the solutions in terms of the end-users' employee or student management workflow processes. As at the LPD, we have an outstanding order book, comprising secured projects yet to be fulfilled, of approximately RM19.41 million. Further details of our order book are set out in Section 12.3.10 of this Prospectus.

Note:

(1) For the avoidance of doubt, these end-users are not part of the end-users in Channel A or Channel B.

(ii) Sale of software licences

HCM and student management software licences are required for organisations and educational institutions to implement HCM and student management solutions, respectively. We are involved in the sale of third party software licences as part of our HCM and student management solutions, where we purchase software licences from software vendors on wholesale basis and resell them to our customers (i.e. organisations and educational institutions, who are the end-users of our HCM and student management solutions respectively) based on number of software licences, as and when required based on projects awarded, with a percentage mark-up that varies for each customer. The number of software licences required depends on the number of users (i.e. employees and students) who will be given the access to the system. For organisations, HR personnel access to the system to perform HR tasks, and other employees access to the system to perform various functions such as application of leaves and claims. For educational institutions, campus administrative staff access to the system to perform student administrative tasks, and students access to the system to perform various functions such as making payment for programme fees and downloading learning materials. Hence, the sale of licences generally number in the thousands as our customers are generally organisations and educational institutions with large numbers of users. Nevertheless, there are circumstances where organisations and educational institutions purchase software licences in much lower volumes, when they purchase additional licences for new users.

Following the sale of the software licences to our customers, we carry out the implementation of the solutions for the customers. We do not sell software licences on a standalone basis where we are not involved in the consulting and implementation of the HCM solutions for the customers. Nevertheless, we also purchase and resell software licences to our existing customers on a standalone basis for the purposes of licence renewal on a yearly basis, with a percentage mark-up that varies for each customer.

As at the LPD, we have the rights to resell the following software licences:

Software	Description	Territory	Expiry date
Oracle PeopleSoft HCM	An on-premise software that supports all aspects of HR management of an organisation.	Malaysia, Singapore, Thailand, Indonesia and Vietnam	29 January 2022 [(1)]
Oracle Cloud HCM	A cloud-based software that supports all aspects of HR management of an organisation.	Malaysia, Singapore, Thailand, Indonesia and Vietnam	29 January 2022 [(1)]

Oracle Taleo Talent Acquisition	A cloud-based recruitment application that connects hiring managers, recruiters, candidates and hiring platforms including social media to expand the reach of candidates and improve the efficiency of hiring. It can be incorporated with companies' unique candidate selection workflows to make data-driven decisions, such as candidates filtering and sorting, using candidates' assessment results as inputs.	Malaysia, Singapore, Thailand, Indonesia and Vietnam	29 January 2022 (1)
Oracle PeopleSoft Campus Solutions	A software that integrates multiple functions and applications to facilitate the management of students from admission to graduation. It can be accessed by campus staff including administrative and finance staff, lecturers, tutors and professors as well as students to perform transactions, share documents, publish announcements and book facilities, amongst others.	Malaysia, Singapore, Thailand, Indonesia and Vietnam	29 January 2022 (1)
Sage EasyPay	An on-premise software that supports all aspects of HR management of an organisation.	Malaysia	N/A (2)

Notes:

(1) Our rights to resell these software licences have to be renewed with the software vendors on a yearly basis.

(2) There is no expiry date for our rights to resell Sage EasyPay under a Software Reseller Agreement entered between Sage and Rams Malaysia in August 2019. Under the Software Reseller Agreement, Rams Malaysia is authorised to resell the software licences for Sage EasyPay, and to provide services such as installation, implementation, technical support and maintenance services to end-users. In the event that the Software Reseller Agreement is terminated, our Group will not be able to resell the software licences for Sage EasyPay. Nevertheless, as Sage has not imposed any restrictions on our Group with respect to the provision of services including the installation, implementation, technical support and maintenance services for Sage EasyPay to end-users, we will be able to continue providing the abovementioned services to our existing customers (i.e. end-users) even if the Software Reseller Agreement is terminated. Hence, there will not be any material impact to our on-going projects in view that the software licences have already been purchased by our customers i.e. end-users upon commencement of our existing projects.

As at the LPD, the minimum quantity for the purchase of new licences for each organisation or educational institution is 1,200 licences for Oracle Corp's software and 100 licences for Sage EasyPay. For renewal of licences, the minimum quantity of licences to be renewed for each organisation or educational institution must not be less than the number of new licences purchased previously.

(iii) Technical support and maintenance services

We provide technical support and maintenance services to organisations and educational institutions as part of our after-sales services following consulting and implementation of HCM and student management solutions. We also provide technical support and maintenance services to organisations and educational institutions who do not engage us for consulting and implementation of HCM and student management solutions.

Most of our technical support and maintenance services are provided based on AMS agreements signed between our Group and our customers. The agreements stipulate details such as scope of work, types of support, number of support personnel needed, support timeframe and fees. For organisations and educational institutions who engage our Group for consulting and implementation services directly, we provide complementary technical support and maintenance for a period of up to 1 year, starting from when the solutions "go live" and are handed over to our customers. In the event that the deployment process is executed in stages over a period of time, the complementary technical support and maintenance services will commence upon the completion of full deployment of a solution.

Following this period of complementary technical support and maintenance, the customers have the option to enter into AMS agreements with us. The minimum period of our AMS agreements is 1 year, and as at the LPD, we have existing AMS agreements with our customers up to 1 year. For projects which we are appointed by software vendors to provide implementation services, we do not provide complementary technical support and maintenance to the end-users (i.e. organisations and educational institutions), and the end-users have the option to enter into AMS agreements with us for technical support and maintenance of the solutions. Depending on the agreements with our customers, we generally charge our customers monthly or quarterly throughout the period as stipulated in the AMS agreements terms.

We also provide technical support and maintenance services to customers for a shorter period of time (i.e. several weeks or months), where in such cases, the arrangement and revenue will be based on man-days without any contract signed.

Our technical support services comprise troubleshooting and rectification of faults and issues faced by the users of HCM and student management solutions. Our maintenance services comprise monitoring of software performance and carrying out regular software updates. All technical support and maintenance services are carried out in-house.

We generally provide off-site technical support services to customers from our centralised support centre based at our headquarters in Malaysia. Users can log their problems through an online ticketing system, and our support team will address and provide solutions accordingly. If the issues cannot be resolved by our off-site support team, the issues will be escalated and we may provide on-site technical support through our local support personnel or local consultants who will attend to the issues at our customers' premises.

(The rest of this page is intentionally left blank)

(iv) Track record in the provision of HCM and student management solutions

The following sets out our track record, based on notable end-users for which we have been involved in the provision of HCM and student management solutions since the commencement of our business:

Malaysia

End-users	Industry	Servicing year(s) [(1)]	HCM offerings
With on-going service contract(s) as at the LPD:			
Ambank (M) Berhad	Banking and finance	2019 – present (Estimated completion: July 2024)	- Consulting and implementation
KDU University College Sdn Bhd (now known as UOW Malaysia KDU University College Sdn Bhd) [(2)]	Education	2019 – present (Estimated completion: April 2022)	- Technical support and maintenance (AMS)
With completed service contract(s):			
RHB Bank Berhad [#]	Banking and finance	2014 – 2019	- Consulting and implementation - Technical support and maintenance (AMS)
Company D [#]	Property development and construction	2018 – 2020	- Consulting and implementation
Paramount Corporation Berhad [(2)]	Property development and education [(3)]	2016 – 2019	- Technical support and maintenance (AMS)
SP Setia Berhad	Property development	2015 – 2016, 2018	- Consulting and implementation - Sale of software licences
Keretapi Tanah Melayu Berhad	Transportation	2016 – 2020	- Consulting and implementation - Technical support and maintenance
KDU College (PJ) Sdn Bhd (now known as UOW Malaysia KDU College Sdn Bhd) [(2)]	Education	2019 – 2020	- Technical support and maintenance
KDU University College (PG) Sdn Bhd (now known as UOW Malaysia KDU University College Penang Sdn Bhd) [(2)]	Education	2019	- Technical support and maintenance
Sri KDU Sdn Bhd [(2)]	Education	2019	- Technical support and maintenance
Nilai Education Sdn Bhd	Education	2016	- Consulting and implementation
Cosmopoint Sdn Bhd [#]	Education	2016 – 2019	- Consulting and implementation
Multimedia University*	Education	2014 – 2016	- Consulting
CIMB Bank Berhad*	Banking and finance	2019	- Consulting and implementation

6. BUSINESS OVERVIEW *(CONT'D)*

Notes:

(1) Years which our Group has on-going service contract(s) with the end-users.

(2) KDU University College Sdn Bhd, KDU College (PJ) Sdn Bhd and KDU University College (PG) Sdn Bhd were subsidiaries of Paramount Corporation Berhad prior to the disposal of their controlling equity interest in September 2019. Sri KDU Sdn Bhd was a subsidiary of Paramount Corporation Berhad prior to the disposal of its controlling equity interest in February 2020.

(3) Paramount Corporation Berhad, engaged our Group to provide technical support and maintenance services for their student management solutions used by their universities and colleges.

 # Includes projects that were secured directly with these end-users and projects that were secured through appointment by software vendors or third party solution providers.

** Projects with these end-users were secured through appointment by software vendors or third party solution providers.*

Singapore

End-users	Industry	Servicing year(s) [1]	HCM offerings
With on-going service contract(s) as at the LPD:			
CapitaLand Limited [(2)#]	Conglomerate (property development, management and investment, hospitality and others)	2011 – present (Estimated completion: March 2022)	- Consulting and implementation - Technical support and maintenance (AMS)
Pacific International Lines (Pte) Ltd	Logistics	2011, 2013 – present (Estimated completion: April 2022)	- Consulting and implementation - Technical support and maintenance (AMS)
With completed service contract(s):			
National University of Singapore	Education	2015 – 2021	- Consulting and implementation - Sale of software licences - Technical support and maintenance (AMS)
Ascendas Land (Singapore) Pte Ltd (now known as CapitaLand Singapore BP&C Pte Ltd) [(2)]	Property development	2015 – 2020	- Consulting and implementation - Technical support and maintenance (AMS)
Parkway Hospitals Singapore Pte Ltd [#]	Healthcare	2012 – 2017	- Consulting and implementation - Technical support and maintenance (AMS)
Powertech Technology Inc [(3)*]	Semiconductor	2016 – 2017	- Consulting and implementation
Resort World Singapore*	Hospitality	2011	- Consulting

6. BUSINESS OVERVIEW *(CONT'D)*

Notes:

(1) Years which our Group has on-going service contract(s) with the end-users.
(2) CapitaLand Singapore BP&C Pte Ltd is one of the largest unitholders of Ascendas Real Estate Investment Trust, whereby CapitaLand Limited has an equity stake of 18.00% in Ascendas Real Estate Investment Trust as at 31 December 2020.
(3) This is an organisation based in Taiwan and this project was secured through appointment by a third party solution provider to Rams Singapore.
 # Includes projects that were secured directly with these end-users and projects that were secured through appointment by software vendors or third party solution providers.
** Projects with these end-users were secured through appointment by software vendors or third party solution providers.*

Thailand

End-users	Industry	Servicing year(s) [(1)]	HCM offerings
With on-going service contract(s) as at the LPD:			
Chia Tai Co., Ltd	Agriculture	2018 – present (Estimated completion: September 2023)	- Consulting and implementation - Sale of software licences
With completed service contract(s):			
Bank Of Ayudhya Public Co., Ltd	Banking and finance	2019 – 2021	- Consulting and implementation
Export Import Bank of Thailand	Banking and finance	2019 – 2020	- Consulting and implementation - Sale of software licences
P.R. Recruitment and Business Management Co., Ltd	HR, recruitment and BPO services	2017 – 2019	- Consulting and implementation - Sale of software licences
ThaiFoods Group Public Company Limited	Agriculture, livestock and food processing	2017 – 2020	- Sale of software licences - Technical support and maintenance
Betagro Public Company Limited	Agriculture, livestock, food processing and pet care	2020	- Consulting and implementation
CIMB Thai Bank Public Company Limited	Banking and finance	2019	- Consulting and implementation

Note:

(1) Years which our Group has on-going service contract(s) with the end-users.

6. BUSINESS OVERVIEW *(CONT'D)*

Indonesia

End-users	Industry	Servicing year(s) [(1)]	HCM offerings
With on-going service contract(s) as at the LPD:			
PT Nojorono Tobacco International	Tobacco	2020 – present (Estimated completion: February 2025)	- Consulting and implementation - Sale of software licences
PT Telekomunikasi Selular [(2)]	Telecommunication	2020 – present (Estimated completion: June 2021)	Consulting and implementation
With completed service contract(s):			
CV Surya Mandiri	Trading and distribution of consumer products	2018 – 2020	- Consulting and implementation - Sale of software licences

Notes:

(1) Years which our Group has on-going service contract(s) with the end-users.

(2) This project was secured through its subsidiary named PT Sigma Solusi Integrasi. Nevertheless, the consulting and implementation services were provided to PT Telekomunikasi Selular.

Vietnam

End-users	Industry	Servicing year(s) [(1)]	HCM offerings
With completed service contract(s):			
Harvey Nash Vietnam Co., Ltd	BPO services	2015	- Consulting

Note:

(1) Years which our Group has on-going service contract(s) with the end-users.

(v) Partnership with Oracle Corp

Our HCM and student management solutions are mainly designed and implemented using Oracle Corp's HCM and student management software respectively. Since 2013, our subsidiaries, Rams Malaysia and Rams Singapore have been registered with Oracle Corp's partnership programmes. As our Group is a HCM and student management solution provider recognised by Oracle Corp, it has thus strengthened our reputation and has provided customers with greater confidence to engage us for the provision of HCM and student management solutions. The following sets out the partnerships between our Group and Oracle Corp for the Financial Years Under Review and up to the LPD:

	Partnerships with Oracle Corp [(1)]				
Entity [(2)]	**2017**	**2018**	**2019**	**2020**	**2021**
Rams Malaysia	Gold level	Gold level	Gold level	OPN member	OPN member
Rams Singapore	Gold level	Gold level	Gold level	OPN member	OPN member
Rams Thailand	Gold level	Gold level	Gold level	OPN member	OPN member
Rams Indonesia	-	-	Gold level	OPN member	OPN member
Rams Vietnam	-	-	-	-	OPN member

Notes:

(1) The partnerships of gold level and OPN member are part of Oracle Corp's partnership programmes that provide partners a various range of benefits and rights to provide IT solutions using Oracle Corp's software. In 2020, Oracle Corp revised their partnership structure and since then, the gold level partnership has ceased and partners are required to register with the OPN member partnership programme.

Under the previous Oracle Corp's partnership structure which was superseded by the revised partnership structure in 2020, the gold level member that our Group had registered allowed our Group to purchase and resell Oracle Corp's HCM software licences to our customers. Further, our Group was not required to be registered as a gold level member for the provision of implementation of HCM solutions using Oracle Corp's HCM software.

Under Oracle Corp's current partnership structure which was effective since 2020, the OPN members that our Group have registered allows our Group to purchase and resell Oracle Corp's HCM software licences to our customers. It also allows our Group to provide implementation of HCM solutions using Oracle Corp's cloud-based HCM software directly to end-users. However, our Group was not required to be registered as an OPN member for the provision of implementation of HCM solutions using Oracle Corp's on-premise HCM software.

(2) As for Rams Vietnam, we only provided consulting services in 2015 which did not involve the sale of software licences or implementation of HCM solutions thus an OPN membership was not required. Rams Vietnam has since been registered as an OPN member during the successful renewal of our Group's OPN membership that came into effect on 30 January 2021. Please refer to Section 6.18.1 of this Prospectus for details on the OPN membership of our Group.

As at the LPD, there are 186 OPN members in Malaysia, 162 OPN members in Singapore, 120 OPN members in Thailand, 110 OPN members in Indonesia and 97 OPN members in Vietnam. The number of OPN members above includes non-local-originated companies that may have presence in these countries either through their subsidiaries or branches. Further, it may also include OPN members that carry other types of Oracle Corp's software and solutions such as enterprise resource planning software and supply chain management software, and who do not carry Oracle Corp's HCM software.

6.3.2 IT staff augmentation services

We are also involved in the provision of IT staff augmentation services where we recruit and supply IT professionals to our customers, for their internal IT projects and / or to meet their IT operational needs, on fixed contractual periods. The customers for our IT staff augmentation services are business organisations, primarily enterprises, MNCs and conglomerates.

These business organisations may require IT professionals with the relevant expertise for their internal IT projects such as customer data analytics programs, setting up of electronic commerce platforms and development of company websites and mobile applications, on short term project basis. Further, business organisations may also require a team of IT professionals to carry out and manage the daily operations of their IT functions. Instead of having a BPO arrangement by outsourcing their IT function to a BPO company, they may choose to hire a team of IT professionals through staff augmentation arrangement which allows them to have total control of the resources to ensure full commitment to the organisations as well as prompt and timely support during the contractual period.

As it may be time consuming and challenging for organisations to hire suitable professionals for their internal IT projects or to meet their operational needs on a contractual period within a short timeframe, these organisations may outsource the recruitment of these IT professionals to our Group. Further, as we have internal talent databases, industry networks, in-depth understanding and insights in the recruitment market such as salary trends and talent mapping, as well as dedicated resources to handle the recruitment processes, we are able to simplify and speed up the entire recruitment process, and increase the rate of successful hires in order for the organisations to commence and complete their projects on time. Examples of the IT professionals whom we recruit and supply to our customers are in the fields of data analytics, software and application development, web development, and mobile application development, amongst others.

All IT professionals supplied to our customers under IT staff augmentation arrangement are on contract basis. The IT professionals are hired, as and when needed, under our Group's payroll, whereby our Group pays the salaries and manages the welfare / benefits of the IT professionals throughout the duration of the contract period as agreed with our customers. We charge our customers a monthly fee comprising the salaries of the IT professionals plus a percentage mark-up which varies for each customer.

We recruit IT professionals from our internal talent databases comprising both local and overseas talents which we have accumulated over the years from engagement with educational institutions, career fairs, past placements, relevant industry associations and industry players. Further, we also recruit IT professionals through job advertisements, LinkedIn, industry networks and referrals. We perform pre-employment screening and preliminary interviews to ensure the IT skillsets of these IT talents match the requirements indicated by our customers before we refer the IT talents to our customers for subsequent rounds of interviews. Upon request by customers, we may also provide basic soft skills trainings and on-boarding briefings before the hired IT talents begin their employment with our customers. If our customers are not satisfied with the performance of the IT professionals supplied, our Group will be given 30 days to source for replacement of professionals to be supplied to our customers. In the event that there is unavailability of suitable replacements within 30 days, our customers are allowed to terminate the IT staff augmentation contracts and there will not be penalties imposed on our customers in relation to the termination of contracts. Since the commencement of our business and up to the LPD, our Group has not experienced any termination of IT staff augmentation contracts.

Some of the notable customers to whom we have provided IT staff augmentation services include Oracle Malaysia, AIA Shared Services Sdn Bhd and CapitaLand Limited.

6.3.3 HCM technology applications

(i) Feet's

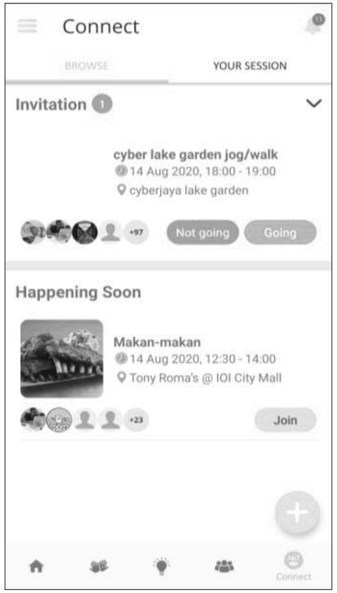
Feet's is an employee engagement mobile application developed in-house and launched in Malaysia in March 2019 and Indonesia in October 2019. Feet's promotes and modernises communications between employees through built-in functions such as forums, peer recognition tools, suggestion platforms and meal groups. Feet's adopts a game-like concept, also known as gamification, to drive proactive and interactive participation. Gamification creates a fun, interactive and rewarding environment to attract employees to actively engage with each other. As such, Feet's helps to foster relationships between employees and enhance transparency across all levels of employees.

(The rest of this page is intentionally left blank)

6. BUSINESS OVERVIEW *(CONT'D)*

The 5 core features of Feet's are detailed as follows:

(i) Connect

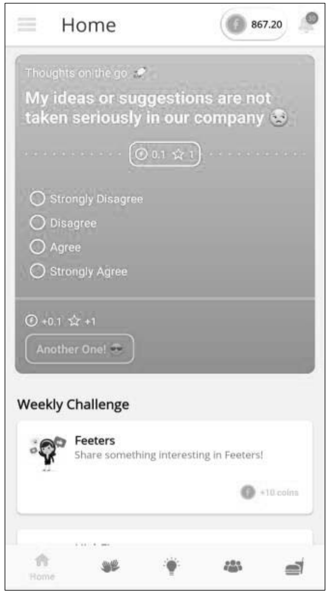


A platform that allows employees to organise events (e.g. dining, social and sport events), and other interested employees are welcomed to join the events. It also allows employees to organise and join virtual meetings on Zoom.

(ii) Feeters

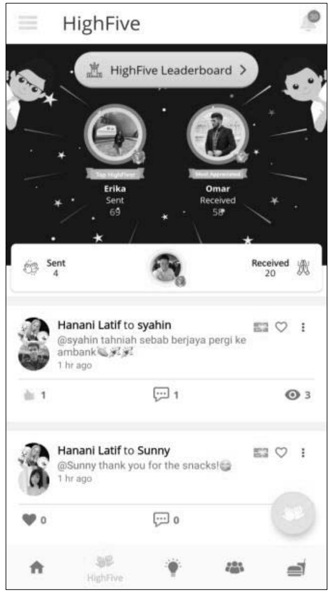
A forum or a social media feed page that allows employees to share their ideas, interesting stories or articles.

(iii) Weekly Quizzes



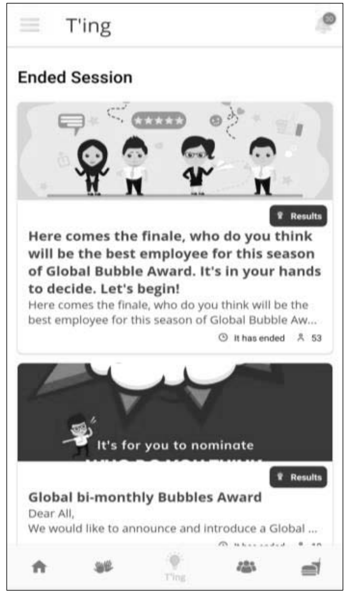
A set of multiple choice questions popped up weekly for employees to answer. The standardised questions are designed by our Group and surrounding the sentiments and emotions of employees. The answers are inputs for data analytics to measure the employees' stress, engagement and happiness level.

(iv) HighFive



A recognition tool that allows employees to recognise their peers' contributions or thank their peers for their help. Both recognising and receiving employees will receive coins to be exchanged for rewards.

(v) T'ing!

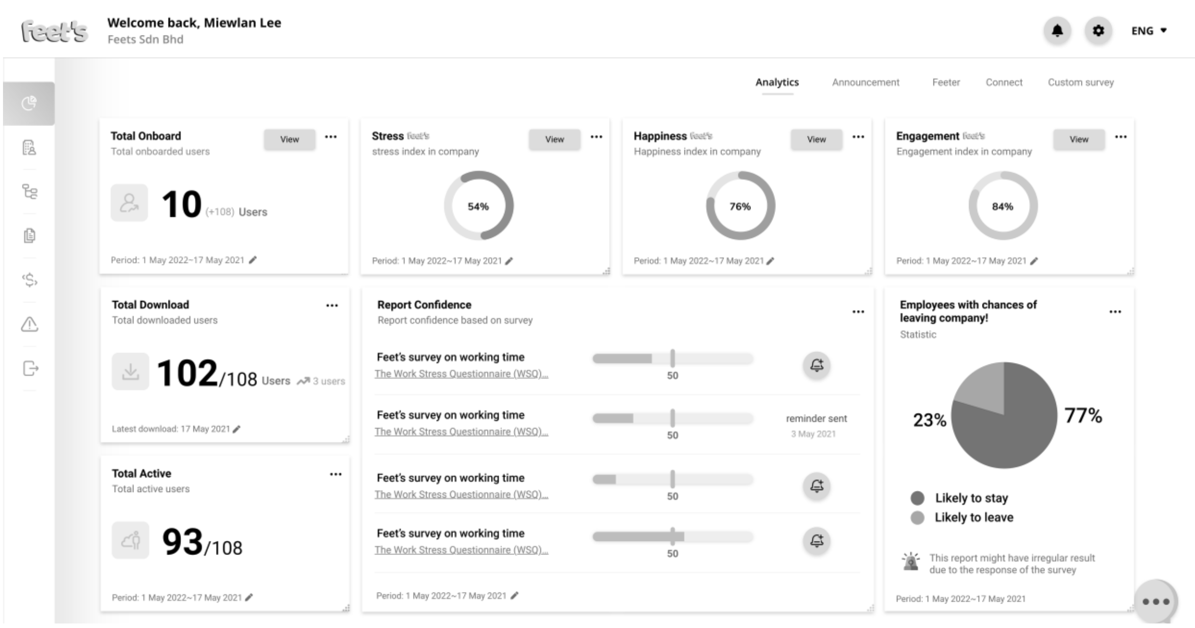


A suggestion box that allows employees to ask for or gather ideas on certain topics, where other employees can provide ideas and vote for the best idea through a built-in polling feature.

Through active engagement and usage of Feet's, employees are able to earn coins which can be used to exchange for rewards such as meal or shopping vouchers. Our Group engages with our brand partners, who are food and beverage establishments, online marketplaces and retailers who wish to advertise and attract customers to their stores, to sponsor their meal and shopping vouchers as rewards to Feet's users. As at the LPD, we have 1 brand partner in Malaysia and 1 brand partner in Indonesia sponsoring rewards on Feet's. In view of the movement restrictions and physical / social distancing measures in place due to the COVID-19 pandemic, we are unable to carry out physical sales and marketing activities and to secure brand partners for Feet's. Once the restriction measures ease and / or the COVID-19 pandemic subsides, our Group will actively engage brand partners for reward sponsors on Feet's.

We also conduct weekly pop-up quizzes, designed by our Group and answered by employees using Feet's. The data on employee behaviour, preferences and level of engagement, as well as answers to the weekly quizzes, are inputs used by the in-built data analytics tools on Feet's to measure the stress, engagement and happiness level of employees, which are indicators to employee satisfaction and loyalty. The data analytics tools embedded in Feet's comprise a set of algorithm and parameters designed collectively by our Group in collaboration with a professor of UMCH Technology Sdn Bhd ("**UMCH**"), a company nurtured by the University of Malaya and specialising in connected fitness, wellness and healthcare technology solutions, to analyse the input data to measure the stress, engagement and happiness level of employees. A collaboration agreement was entered into between Feets Malaysia and a professor from UMCH on 7 August 2017 ("**Collaboration Agreement**"). The Collaboration Agreement was subsequently terminated on 1 May 2019. Prior to the termination, by way of letter of confirmation dated 1 April 2019, it was mutually agreed between Feets Malaysia and UMCH that Feets Malaysia would be the sole owner of the intellectual property rights towards the research, programming, algorithm, formulas, design and development of Feet's upon termination of the Collaboration Agreement. As at the LPD, Feets Malaysia is in the midst of applying the intellectual property rights of Feet's, please refer to Section 6.21 of this Prospectus for the details of the intellectual property rights held by our Group.

The dashboard that presents the stress, engagement and happiness level of employees to the management is as follows:



With employees' proactive interaction and participation within Feet's, the gathering of employee data in Feet's is on-going and continuous as compared to traditional employee surveys which are usually conducted periodically and on a need-to basis. Hence, Feet's provides organisations with real-time updates of employees' work sentiment and behaviour, thus giving employers the ability to make prompt data-driven decisions to develop talent management strategies, such as evaluating the workload given to the employees based on their stress level and determine whether there is a need to reallocate some workload or hire additional headcounts; assessing the company's culture based on the employees' engagement level to outline strategic plans to enhance company culture; and identifying the happiness level of employees towards current working environment for the employers to predict any potential resignations and take proactive actions to minimise resignations.

As at the LPD, we are in the midst of developing predictive analytics tools to be incorporated into Feet's for better data analysis and interpretation. Moving forward, we plan to incorporate AI technology into Feet's to improve data analysis and produce insightful results to assist the employers for better and more effective decision making. Please refer to Sections 6.6(iii) and 6.13 of this Prospectus for our business strategies and detailed descriptions of the enhancement of Feet's.

Further, through Feet's existing "Connect" feature, subscribers of Feet's can directly access Zoom's video and audio functionalities. With this function, subscribers of Feet's can create virtual meetings and support remote interactions between participants for hybrid events (i.e. events whereby some participants attend physically and some participants attend virtually) without having to switch out of the Feet's mobile application platform or invest in the subscription fees for other communications platform. This enables subscribers of Feet's to be able to communicate to each other more effectively, thereby creating connected, happier and productive workplaces for employees.

Our technical support for Feet's includes resolving issues raised by the subscribers, such as retrieving login details, reporting sensitive or abusive content, and rectifying technical faults to the application. Subscribers raise their issues to our support team through telephone calls, emails or the help centre function within the mobile application whereby the issues will thereafter be directed to our support team for further action. We also provide regular maintenance for Feet's including bug fixes, performance improvements and rolling out new features, if any. Depending on the type of maintenance, a notification for system updates will be sent to the management or to the subscribers. If the maintenance involves system updates that affect management's usage such as the interface of the dashboard presenting the stress, engagement and happiness level of employees, a notification will be emailed to the management together with the system update details such as add-ons of new features and changes in interfaces; whereas if the maintenance involves system updates that affect users' usage such as interface layout and addition of new features, a notification will be sent to the subscribers through the mobile application. The technical support and maintenance of Feet's are carried out in-house by our support team for Feet's.

Our target customers for Feet's are business organisations including enterprises, MNCs, conglomerates as well as educational institutions. We sell Feet's to these customers on a monthly subscription basis based on the number of users in the organisation. Each organisation subscribing to Feet's has its respective account comprising their own employees. The organisation's employees can download Feet's from Apple App Store or Google Play Store, and register and log in based on the organisation's account. Our past and present customers for Feet's include Axiata Digital Services Sdn Bhd and PT PLN (Persero), Indonesian state-owned national power company. Further, as at the LPD, we provide free trial subscriptions to several subsidiaries of Top Glove Corporation Bhd as part of our promotional activities for Feet's.

Upon the launching of Feet's in Malaysia in March 2019, we have been featured in multiple newspapers, magazines and online news portals including The Star, New Straits Time, HR Asia, Digital News Asia and Vulcan Post. In Indonesia, Feet's was launched in October 2019 and was also featured by several media including NexTren, Liputan6, Dailysocial.id and Tribunnews.

(ii) Lark

In February 2020, our subsidiary Rams Malaysia entered into a Lark Partner Network Agreement with Lark Technologies Pte Ltd, a Singapore company to resell Lark, a third party collaboration platform, for Asia Pacific region (including Japan and excluding Mainland China) with a tenure of 3 years and any renewal shall be subject to mutual agreement. As at the LPD, while our revenue from the sale of Lark is solely generated from Malaysia, Lark can also be offered in Thailand, Indonesia and Vietnam.

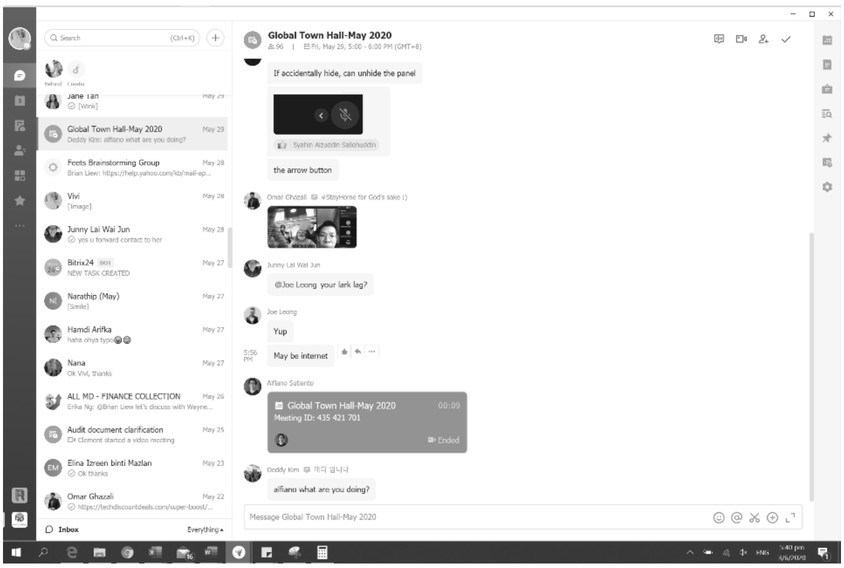
Lark is a single online collaboration platform for business use that seamlessly interconnects multiple communication functions such as email, instant messenger, tele-conferencing and video conferencing, as well as other work-related functions such as scheduling meetings, calendar management, attendance management, document creation and editing, cloud storage and file sharing.

With multiple communication functions consolidated within a single platform, Lark helps to facilitate effective communications between employees as it allows real time interaction between employees from any location. Coupled with other work-related functions such as document creation and editing as well as cloud storage and file sharing, Lark creates a virtual office for employees from different locations to work seamlessly without the need to meet physically, thus enabling employees to work remotely.

A key feature of Lark is the instant translation of messages and documents. As at the LPD, Lark recognises over 100 languages and is able to translate them into 4 languages (i.e. English, Chinese, Thai and Japanese). Further, it is developed with single sign-on feature, where users are required to only login once and they will be able to access all functions under the single platform.

The user interfaces for some of the key features of Lark are as follows:

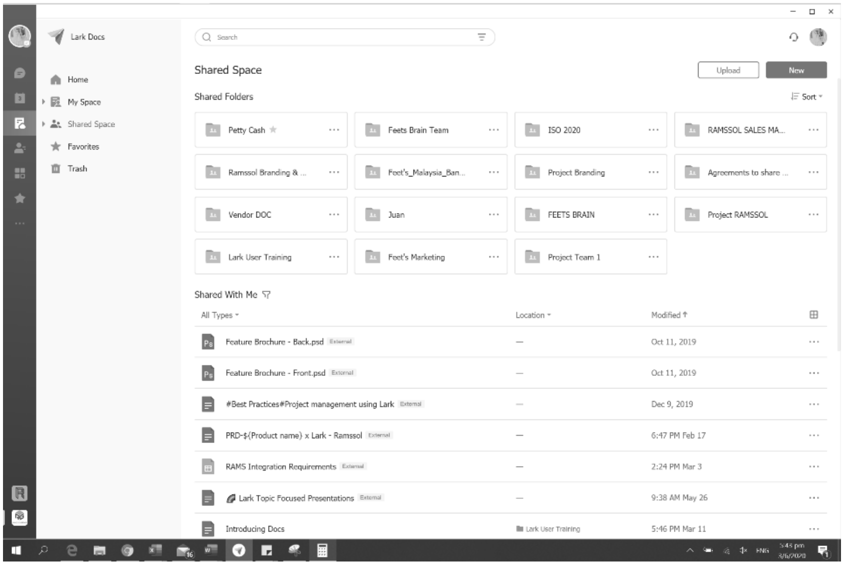
Instant messenger :



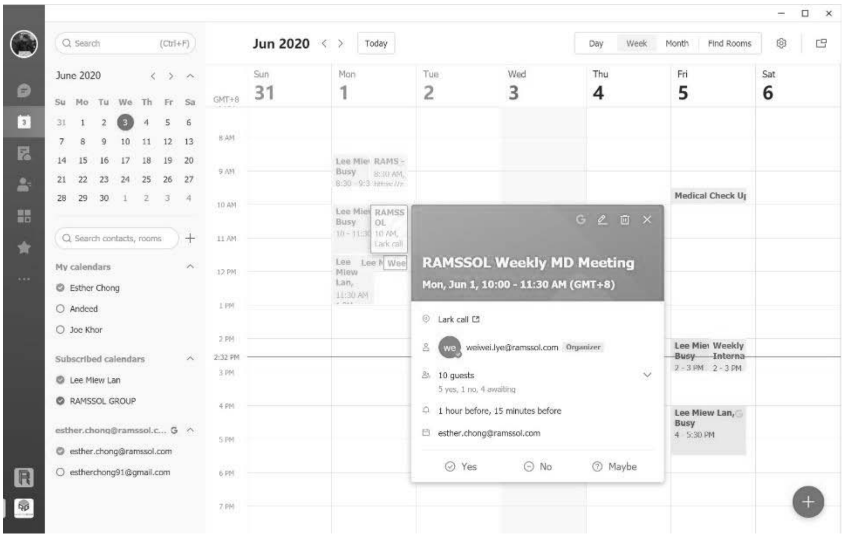
6. BUSINESS OVERVIEW *(CONT'D)*

Tele-conferencing and video conferencing :

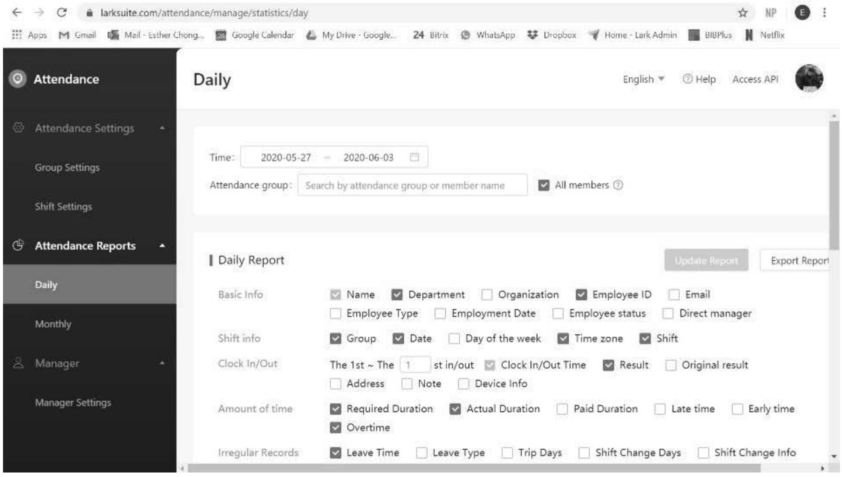
Document sharing :



Calendar :



Attendance management :



Apart from reselling Lark's user licences to our customers, we also provide implementation, maintenance and enhancement services related to on-boarding of new users, basic technical support and integration between third party applications and Lark to our customers.

For on-boarding of new users, we are responsible for setting up our customers' company profiles, reporting structures and user accounts for each individual, amongst others, on Lark's host system; as well as providing guidance on the on-boarding process and introduction of the functions of Lark to new users. Further, upon request by our customers to further enhance their user experience or operational processes, we may develop customised applications, and / or integrate third party applications, into Lark. The integration of these additional applications into Lark is carried out on Lark's integrated development environment.

Following the development and / or integration of additional applications into Lark, we may be engaged by the customers for technical support and maintenance for these additional applications. All of these applications are additional coding which do not affect the main coding of Lark, as such Lark does not bear responsibilities for these additional applications and the technical support and maintenance for these applications are carried out by our Group.

For issues related to the main coding of Lark, the technical support and maintenance of Lark is provided by Lark Technologies Pte Ltd. Every user has an instant messenger chatroom that connects them to Lark's customer service. Notifications for new features and system updates will be sent to every user through the chatroom. Further, users can raise technical issues by leaving messages in the chatroom and such issues will be escalated to the support team of Lark. Nevertheless, our customers usually approach us for any issues faced and we will first assist or guide them accordingly. In the event that the issues cannot be resolved by our Group, we will escalate the issues to Lark's customer service or technical support team on behalf of our customers.

As at the LPD, there are 2 editions of Lark, the Standard Edition and the Enterprise Edition (with additional value-added services). We offer Lark to our customers on monthly subscription fees based on the type of account and number of users in the organisation. Upon securing a customer for the subscription of Lark, we will place an order with Lark Technologies Pte Ltd to purchase the user licences. We will be charged for the licence fees for every order placed with Lark Technologies Pte Ltd, and we are required to complete the payment to Lark Technologies Pte Ltd within 30 days upon the invoice date. The payment terms in respect of our purchases of the user licences are quoted in SGD or USD or any other agreed currency.

Lark is available on desktop and mobile applications. The desktop version can be downloaded from Lark's website and the mobile application can be downloaded from Apple App Store or Google Play Store.

(iii) IT-related training

In August 2020, our subsidiary, Rams Malaysia entered into an agreement with Megatech, an educational institution in Malaysia to provide IT-related training to unemployed Malaysians under the Penjana Kerjaya Program introduced by the Government's Ministry of Human Resource. The IT-related training which we provide through this program focuses on office automation which involves digitalisation of business operations using computer software. It aims to reskill and upskill Megatech's students (i.e. unemployed Malaysians) in various aspects including the usage of computer software to enhance the efficiency of business processes.

As at the LPD, the IT-related training provided to Megatech's students are conducted through Lark. While we provide the training directly to Megatech's students, our revenue from this business segment is contributed by Megatech as we act as a trainer to Megatech.

Further, as and when the contract with Megatech ends along with the end of Penjana Kerjaya Program, we intend to continue expanding this new business segment with further details set out in Section 6.6(vi) of this Prospectus.

(iv) Zoom

In November 2020, our Group began to resell or refer Zoom, an enterprise unified communications platform that offers virtual meeting functions between gadgets (i.e. computers and / or mobile devices), for Asia Pacific region (excluding People's Republic of China). Zoom is developed by Zoom Video Communications, Inc, a United States-based company that offers video conferencing, web conferencing and webinar services. As at the LPD, Zoom can be offered in all countries which we have business presence in, namely Malaysia, Singapore, Thailand, Indonesia and Vietnam.

We purchase and resell the subscription of Zoom to our customers on an as-needed basis, whereby upon securing a customer for the subscription of Zoom, we will place an order with Zoom Video Communications, Inc to purchase the user licences. Further, we can also refer potential customers to Zoom Video Communications, Inc for the purchase of user licences, and in return, we will receive referral fees from Zoom Video Communications, Inc.

The subscription package that we offer to our customers is on an annual renewal basis and it includes all types of licences made available by Zoom Video Communications, Inc. Zoom is available on desktop and mobile applications. The desktop version can be downloaded from Zoom's website and the mobile application can be downloaded from Apple App Store or Google Play Store.

6.3.4 Warranty and liquidated damage charges

(i) Warranty

For organisations and educational institutions who engage our Group for consulting and implementation services directly, upon completion of implementation and when the solutions "go live" and are handed over to our customers, we provide complementary technical support and maintenance services (i.e. warranty) for up to 1 year. Due to the nature of our business, there will not be warranty claims from our customers during the complementary technical support and maintenance period, instead we will rectify and resolve technical issues faced by the users during the period, if any. Upon expiry of the complementary technical support and maintenance services, we provide technical support and maintenance services to the organisations via AMS agreements or on request basis by man-hours.

We do not have warranties for our HCM and student management solution projects appointed by software vendors, or for IT staff augmentation services and HCM technology applications.

(ii) Liquidated damage charges

In the event of delays on project milestones for our HCM solution projects, our customers are allowed to claim for liquidated damages from our Group. Based on the agreements for our current on-going HCM solution projects as at the LPD, our customers are allowed to claim for liquidated damages of up to 5% of the total project cost. For our student management solution projects, any claims for liquidated damages is also capped at 5% of the total project cost. If the projects are secured through software vendors or third party solution providers, we will not be subject to any claims for liquidated damages. Since the commencement of our business and up to the LPD, our Group has not triggered any conditions that could result in claims for liquidated damages from our customers, and our Group has not received any claims for liquidated damages arising from delays in meeting project milestones.

In addition, based on the agreements for our current on-going technical support and maintenance services, our customers are allowed to claim for liquidated damages in the event of delayed responses to technical issues raised by customers and/or major system failure caused by our Group which result in interruptions to our customers' business operations. The collective claim for such liquidated damages during the contract period for technical support and maintenance services is capped at 10% of the total contract value of the technical support and maintenance services. Since the commencement of our business and up to the LPD, our Group has not triggered any conditions that could result in claims for liquidated damages from our customers, and our Group has not received any claims for liquidated damages pertaining to our technical support and maintenance services for HCM and student management solutions.

Our Group is not subject to any claims for liquidated damages for the provision of IT staff augmentation services and HCM technology applications.

6.4 PRINCIPAL BUSINESS SEGMENTS AND MARKETS

In the Financial Years Under Review, provision of HCM solutions was the largest revenue contributor to our Group as it contributed 82.42%, 81.34%, 91.14% and 60.59% to our Group's total revenue, respectively. This was followed by the revenue generated from the provision of IT staff augmentation services in the FYE 2017, FYE 2018 and FYE 2019 with revenue contribution of 17.58%, 18.66% and 8.35% respectively. In 2019, we ventured into the provision of HCM technology applications by launching our in-house employee engagement mobile application, namely Feet's. Hence, the revenue contribution from HCM technology applications has been minimal, at 0.51% in FYE 2019, as Feet's is in commencement stage and our Group is actively expanding our subscriber base. In the FYE 2020, HCM technology applications segment emerged as the second largest contributor to our Group's revenue. This was contributed by the provision of consulting and implementation as well as technical support and maintenance in relations to Lark and provision of IT-related training to Megatech, a new customer secured in FYE 2020.

The breakdown of our Group's revenue by principal activities in the Financial Years Under Review is as follows:

	Audited							
	FYE 2017		**FYE 2018**		**FYE 2019**		**FYE 2020**	
Principal activities	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**
HCM and student management solutions	5,611	82.42	10,186	81.34	14,071	91.14	15,349	60.59
IT staff augmentation services	1,197	17.58	2,337	18.66	1,290	8.35	876	3.46
HCM technology applications	-	-	-	-	(1) 78	0.51	9,106	35.95
Total revenue	**6,808**	**100.00**	**12,523**	**100.00**	**15,439**	**100.00**	**25,331**	**100.00**

Note:

(1) In FYE 2019, the revenue under this business segment was solely derived from the subscriptions of Feet's, as our sale of Lark only commenced in February 2020.

Our revenue from the local market contributed approximately 24.95%, 22.96%, 31.64% and 45.53% of our Group's total revenue for the Financial Years Under Review. Our Group's revenue from the overseas market accounted for approximately 75.05%, 77.04%, 68.36% and 54.47% of our Group's total revenue for the Financial Years Under Review. The classification of our Group's revenue by geographical market is based on the location of the customer, regardless of the location the work is carried out. The breakdown of our Group's revenue by geographical market in the Financial Years Under Review are as follows:

6. BUSINESS OVERVIEW *(CONT'D)*

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Geographical location	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**
Malaysia	1,698	24.95	2,876	22.96	4,885	31.64	11,534	45.53
Singapore	4,177	61.35	3,982	31.80	3,577	23.17	2,879	11.37
Thailand	482	7.08	5,063	40.43	5,433	35.19	7,554	29.82
Vietnam	30	0.44	156	1.25	90	0.58	-	-
Indonesia (1)	-	-	-	-	1,362	8.82	3,310	13.07
The Netherlands (2)	193	2.83	446	3.56	92	0.60	54	0.21
Taiwan (2)	228	3.35	-	-	-	-	-	-
Total revenue	**6,808**	**100.00**	**12,523**	**100.00**	**15,439**	**100.00**	**25,331**	**100.00**

Notes:

(1) Prior to the establishment of Rams Indonesia on 10 January 2019, there was 1 HCM solution project in Indonesia secured by Rams Malaysia in December 2018, which the consulting and implementation works of the project were performed by Rams Malaysia in Malaysia.

(2) We do not have business presence in these countries. Rams Malaysia and Rams Singapore supply IT staff to Epicenter Amsterdam, a company based in the Netherlands, through offsite arrangements whereby the IT staff are based in their respective countries and work remotely; and Rams Singapore delivered HCM solutions services to Powertech Technology Inc, a company based in Taiwan.

(The rest of this page is intentionally left blank)

6.5 OUR COMPETITIVE STRENGTHS

(i) We have a proven project track record involving large organisations in multiple countries across multiple industries

Since the commencement of our business in 2011, we have provided HCM and student management solutions to many notable local and foreign organisations including large enterprises, GLCs, MNCs, conglomerates and government agencies, as well as educational institutions in Southeast Asia, through projects awarded directly to us by these end-users (i.e. organisations and educational institutions), or where we are appointed by software vendors or third party solution providers. These end-users may have businesses across multiple industries and/or presence in multiple countries. Please refer to Section 6.3.1(iv) of this Prospectus for the list of end-users in Malaysia, Singapore, Thailand, Indonesia and Vietnam, whom we have provided our HCM and student management solutions to.

Besides the countries in which we have presence, our Group has also been involved in HCM solution projects in the Philippines, Hong Kong, Australia and New Zealand through Rams Malaysia; and Taiwan and Japan through Rams Singapore. These projects were secured through third party solution providers, or referred by our existing customers to extend the coverage of our HCM solutions to countries in which they have offices or projects.

Our ability in delivering projects to many renowned organisations demonstrates our capabilities in developing large scale and centralised HCM solutions that standardise and streamline the HR processes of their multiple subsidiaries and branches in different locations. Our HCM solutions help to ensure standardisation and accuracy in recording and storing HR-related information for ease of data analysis, which eventually improves the overall efficiency of HR management. This is attributed to our experience and knowledge in HR which enable us to understand each organisation's unique HR practices and advise the organisations accordingly to enhance and streamline their HR functions. Please refer to Section 6.5(iii) of this Prospectus for further details on our experience and knowledge in HR.

With an established portfolio of customers and end-users, we have built a proven reputation in the HCM solutions industry in Southeast Asia. This provides our Group with the credentials to attract and secure more projects and business opportunities within Southeast Asia, which will contribute positively to our business expansion and financial performance.

(ii) We have regional presence in Southeast Asia with robust knowledge of local organisational dynamics and strong understanding of local employment laws

Our Group is headquartered in Malaysia and we have offices across 4 other countries in Southeast Asia, namely Singapore, Thailand, Indonesia and Vietnam. As at the LPD, we have in-house consultants based in each of our offices, i.e. 19 in Malaysia, 6 in Singapore, 8 in Thailand, 7 in Indonesia and 3 in Vietnam. These consultants have knowledge and understanding of local organisational dynamics as well as local employment laws in their respective countries. The number of our in-house consultants certified by Oracle Corp is set out in Section 6.11 of this Prospectus.

Organisational dynamics refer to factors that affect the operations of an organisation from the perspective of human behaviour, such as working cultures, leadership styles, HR processes and communication practices between employees. It is important to have consultants who understand local organisational dynamics as all of these factors may determine the need for localised solutions and have to be taken into consideration during the design of workflow for HCM solutions.

Further, our consultants in the respective countries have good understanding of the local employment laws and other rules such as statutory payments and contributions including employee income tax rates, retirement fund contribution rates and workers' compensation funds; employee safety and health standards; and HR audit processes. They also keep abreast with, and / or are notified of, any changes to the local employment laws in a timely manner, which will enable us to deliver localised and up-to-date HCM solutions to meet local organisational needs.

In addition, our consultants based in each of our overseas offices are involved in on-site pre-sales activities where they carry out product demonstrations to potential customers (i.e. organisations) prior to any completion of sales. Our in-house consultants in each of our offices also provide on-site technical support and maintenance services to local customers when required. Having physical presence across Southeast Asia ensures that we are in close proximity to our customers, thus enabling us to promptly respond to their needs.

Our Group's regional presence in Southeast Asia provides our customers with the assurance that local support is available when needed. Further, our regional presence in Southeast Asia also serves as a platform to support our business expansion in Southeast Asia.

(iii) Our experience and knowledge in HR enable us to enhance the efficiency of an organisation's HR functions using our suite of HCM solutions and technology

With around 10 years of experience in the HCM solutions and technology business, our Group has accumulated relevant HR knowledge to assist organisations in streamlining and enhancing their HR functions using HCM solutions. To develop an effective HCM solution for an organisation, thorough understanding of the organisation's HR practices as well as extensive knowledge and experience in HCM technology and software are required. Our consultants are equipped with the aforementioned know-how and skillsets to develop customised and effective HCM solutions.

Our consulting team understands and gathers detailed requirements of an organisation's unique HR practices, and thereafter digitalise and transform its HR systems by proposing a customised HCM solution to improve and enhance the overall efficiency of its HR functions. Thereafter our implementation team develops the HCM solution, which includes software customisation, configuration and deployment according to information gathered during the consulting stage.

Our experience and knowledge in HR have also facilitated our expansion into IT staff augmentation services, specifically for IT professionals on fixed contractual basis. Recruitment of professionals typically requires in-depth understanding and insights into the dynamics of the recruitment market. Our presence in the HCM solutions industry has also allowed us to develop a network of local and foreign IT talents, which has enabled us to recruit and provide IT talents that suit the roles required by our customers.

In addition, after years of experience in the HCM solutions industry, we observed and recognised that effective communication between employees and active engagement in organisational activities are key to improving work efficiency and enhancing employee engagement and commitment, which eventually benefits the organisations. In view of this, we commenced the R&D of our first in-house product, an employee engagement mobile application named Feet's in 2017, and Feet's was subsequently launched in Malaysia in March 2019, which is a significant milestone for our Group. Feet's assists organisations to strengthen relationships between employees and enables organisations to assess employee satisfaction and loyalty. Please refer to Section 6.3.3(i) of this Prospectus for further details of Feet's.

Our industry knowledge on HR needs and employee collaboration has also led us to further extend our suite of HCM offerings to include Lark, a third party collaboration platform. Lark is a single communication platform for business use that seamlessly interconnects multiple communication functions such as email, instant messenger, tele-conferencing and video conferencing, as well as other work-related functions. With Lark, we now have a comprehensive suite of HCM solutions and technology. Please refer to Section 6.3.3(ii) of this Prospectus for further details of Lark.

Our expertise in HCM solutions and technology is attributed to our team of experienced and competent consultants who have extensive and up-to-date HR knowledge, which allow us to continuously provide optimised and innovative HCM solutions and technology to our customers. Further, it is also our Group's core values and beliefs to continuously endeavour for improvement, and as such we strive to ensure that we remain at the forefront of the HR industry by continuously investing in our employees and staying abreast with the latest HCM solutions and technology. All of these will continue to drive the growth and expansion of our Group.

(iv) We have an experienced key senior management team

Our key senior management team possesses in-depth industry knowledge, technical know-how and experience in HCM technology and solutions. Our CEO, Tan Chee Seng and our COO, Lee Miew Lan have over 15 years and over 21 years of experience in the consulting and implementation of HCM solutions, respectively. They have contributed significantly to our Group's historical expansion, and will continue to play pivotal roles in our Group's future growth.

Our CEO and COO are supported by a team of key senior management personnel comprising:

Name	Designation	Years of relevant working experience
Liew Yu Hoe	CIO	15
Soh Meng Siit	CFO	23

We believe that our key senior management team, with their respective experience and commitment to our Group, and coupled with teamwork between them, will provide impetus for the continuous growth of our Group in the future.

6.6 OUR BUSINESS STRATEGIES AND FUTURE PLANS

(i) We intend to enlarge our regional presence in Southeast Asia by expanding into the Philippines

We have established a proven project track record in Southeast Asia due to our presence in Malaysia, Singapore, Thailand, Vietnam and Indonesia. This has provided our Group with the foundation for further expansion and growth in the region. In line with our regional expansion plans, we intend to enlarge our footprint in Southeast Asia by expanding into the Philippines.

To facilitate our expansion into the Philippines, we plan to set up an office in Manila to focus on the provision of HCM and student management solutions and HCM technology applications. The establishment of our new office in Manila is estimated to cost RM2.75 million, comprising the purchase of office equipment, staff payroll, office rental and marketing cost for our HCM and student management solutions and HCM technology applications, over the initial 2 years of establishment. In terms of staff payroll cost, it will comprise a local Managing Director; 6 local consultants to be involved in the provision of HCM and student management solutions, including pre-sales, consulting and implementation as well as technical support and maintenance services; 3 local sales and marketing personnel to be involved in sales and customer service for HCM technology applications and acquire brand partners for the sponsorship of rewards for Feet's; and 1 local administrative, HR and finance personnel. We plan to utilise RM2.50 million from our IPO proceeds to fund this expansion, and the remaining cost will be funded by internally generated funds and / or bank borrowings. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

We plan to commence the setting up of the office in Manila and recruitment of new staff immediately upon our Listing, and commence operations within 12 months upon Listing. As at the LPD, we have identified a co-working space in Manila, of which we plan to rent a room within the co-working space that is potentially suitable to be our office. Notwithstanding that the co-working space identified will provide basic office equipment such as office desks, chairs and shared printers, the IPO proceeds earmarked for the purchase of office equipment include the purchase of stationeries, laptops, printers, servers and other peripheral equipment. The purchase of printers despite the availability of shared printers is to ensure the privacy of the documents printed. Further, we require our own laptops and servers due to the nature of our services as our consultants will have to perform software coding on laptops, and our software applications, documents and codes stored in our laptops will need to be backed up in the servers. The printers and servers will be placed in the dedicated room which we plan to rent, and the dedicated room can only be accessed by our employees.

As at the LPD, our Group has commenced preliminary relationship building activities in the Philippines, primarily involving discussions with Oracle (Philippines) Corporation ("**Oracle Philippines**") to explore for business opportunities and understand the market dynamics in the Philippines.

The expansion to the Philippines is expected to grow our business regionally and strengthen our position as a regional HCM solution and technology specialist in Southeast Asia.

(ii) We intend to expand the presence and subscriber base of Feet's and Lark in Southeast Asia

Our in-house employee engagement mobile application, Feet's, was launched in Malaysia and Indonesia in March 2019 and October 2019 respectively. As at the LPD, we have secured 4 organisations with a total of around 3,700 subscribers in Malaysia (comprising both paid users and users under free trials), and 4 organisations with a total of around 1,200 subscribers in Indonesia. As Feet's is relatively new in the market, we intend to further enhance its presence and grow its subscriber base in Malaysia and Indonesia by continuing our active marketing and promotional activities for Feet's. Please refer to Section 6.9 of this Prospectus for details of our sales and marketing activities for Feet's. Further, we also intend to expand the presence of Feet's to other Southeast Asian countries in which we currently operate, namely Singapore, Thailand and Vietnam. We plan to officially launch Feet's in Thailand within 13 months after our Listing, in Vietnam within 17 months after our Listing and in Singapore within 20 months after our Listing.

Our Group has also been a reseller of Lark, a third party collaboration platform, in the Asia Pacific region (including Japan and excluding Mainland China), since February 2020. Following the outbreak of the COVID-19 virus, collaboration platforms such as Lark have become increasingly important as it can create a virtual office for employees from different locations to work seamlessly without the need to meet physically and enables employees to work remotely. As such, we intend to leverage on the growing need for collaboration platforms to continue promoting Lark in Malaysia as well as other countries including Thailand, Indonesia and Vietnam. Our Group does not intend to resell Lark in Singapore as our principal, Lark Technologies Pte Ltd is based in Singapore and organisations that are interested in signing up Lark would approach Lark Technologies Pte Ltd directly. We intend to commence the launch marketing of Lark in Thailand within 4 months after our Listing and in Vietnam within 8 months after our Listing. For Indonesia, we began the launch marketing of Lark in February 2021.

To facilitate the expansion of the presence of Feet's and Lark in Southeast Asia, we plan to hire a team of 6 local personnel each in the countries in which we intend to expand the presence of Feet's and / or Lark into (i.e. Singapore, Thailand, Indonesia and Vietnam) as well as Malaysia in which both Feet's and Lark are currently present, to carry out sales and marketing and customer service activities for Feet's and Lark, as well as to acquire brand partners for the sponsorship of rewards on Feet's. As at the LPD, we have hired 6 sales and marketing personnel in Malaysia and 2 sales and marketing personnel in Vietnam. The hiring of local sales and marketing personnel for Thailand, Indonesia and Singapore are currently ongoing. Further, we intend to carry out continuous marketing and advertising for Feet's and / or Lark in Thailand from the 2nd month onwards after our Listing, in Vietnam from the 5th month onwards after our Listing and in Singapore from the 12th month onwards after our Listing.

We have commenced some preparation works as mentioned above for this expansion plan and will continue with the expansion plan upon our Listing at a staggered timeline. The cost to be incurred for the payroll cost of the sales and marketing personnel, as well as expenses for sales and marketing activities over a period of 2 years is estimated to be RM1.52 million for each country, bringing the total estimated cost to RM7.60 million. We intend to utilise RM6.22 million from our IPO proceeds to fund these and the remaining cost will be funded by internally generated funds and / or bank borrowings.

In addition, Feet's has to be modified and localised, especially the language of its user interface, in order to suit the usage in Thailand and Vietnam. The modification and localisation of Feet's for its usage in Thailand and Vietnam is estimated to cost RM0.24 million. We have commenced the localisation works for Feet's to be used in Thailand through internally generated fund, and we intend to utilise RM0.13 million from our IPO proceeds for the localisation of Feet's for its usage in Vietnam that we intend to commence immediately upon Listing. Any excess and unutilised funds for this allocation will be utilised for sales and marketing activities.

In brief, the total estimated cost for this business strategy is RM7.84 million, out of which RM6.35 million will be funded from our IPO proceeds and the remaining RM1.49 million will be funded through internally generated funds and / or bank borrowings. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

The expansion of Feet's and Lark is expected to contribute positively to our financial performance through the increased generation of recurring revenue. In addition, it is also expected to enhance our brand exposure across Southeast Asia and attract more business opportunities to our Group.

(iii) We intend to enhance our R&D activities primarily for the enhancement of Feet's and development of bolt-on modules for our HCM solutions

Our Group recognises the importance of continuous R&D efforts to enhance our HCM offerings to remain competitive and relevant in the HCM solution and technology industry. As such, we intend to continue our focus on R&D activities, as detailed in the below:

- **Enhancement of Feet's through the incorporation of AI technology**

  As at the LPD, Feet's uses data analytics tools, which have been incorporated with a set of pre-designed algorithm and parameters, to analyse the input data of Feet's (e.g. data on employee behaviour, preferences and level of engagement, as well as answers to the weekly pop-up quizzes) to measure the stress, engagement and happiness level of employees.

  As our Group intends to continuously improve data analysis and produce insightful results that assist employers to better understand their employees and to facilitate more effective decision making, we plan to incorporate AI technology into Feet's. The AI technology contains machine learning capabilities and predictive data analytics to provide impactful insights for employers to improve employee engagement and to retain valuable talents. AI technology can offer predictive insights into employees' behavioural patterns such as an employee's tendency to quit; or providing insights for organisations to develop personalised training programs for individual employees based on their personality and needs. Please refer to Section 6.13 of this Prospectus for details of the on-going and future R&D innovations of Feet's.

  We plan to hire 15 additional employees who have expertise in AI technology, such as AI programmers, data scientists and data analysts, to carry out in-house development of the AI modules and to integrate these modules into Feet's. Further, we also plan to engage third party AI experts for the conceptualisation of the AI modules, including designing the algorithms and parameters to be used in the AI modules. We expect to commence this enhancement of Feet's immediately upon our Listing, with target completion within 2 years. The payroll cost of the new AI employees, engagement fees for third party AI experts and working capital are estimated to cost RM3.19 million over the 2 years, out of which we intend to utilise RM3.08 million from our IPO proceeds and the remaining cost will be funded through internally generated funds and / or bank borrowings. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of our IPO proceeds. Following the completion of this enhancement of Feet's with AI technology, our new AI employees will continue to be part of our R&D team focusing on the continuous enhancement of Feet's.

- **Development of bolt-on modules for our HCM solutions**

  As part of our HCM solutions business, we develop bolt-on modules and incorporate these modules to our customers' on-premise HCM and student management solutions. Among the bolt-on modules our Group has developed include modules for payroll, claims application and leave management as well as mobile-friendly layouts and user interfaces for some default modules.

  We have received enquiries from our customers to develop and integrate customised bolt-on modules into their cloud-based HCM solutions. However, the bolt-on modules in cloud-based HCM solutions are different from the bolt-on modules in on-premise HCM solutions, as it requires more specialised programming skills and integration tools in view of the connectivity and privacy concerns for cloud-based solutions.

As such, we plan to purchase software licences of Oracle Corp's cloud-based HCM software (i.e. Oracle Cloud HCM and Oracle Taleo Talent Acquisition) for our internal R&D activities to develop bolt-on modules for cloud-based HCM solutions. The purchase of the software licences is estimated to cost RM1.94 million, out of which RM1.02 million will be funded from our IPO proceeds and the remaining cost will be funded through internally generated funds and / or bank borrowings. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

The enhancement of Feet's is expected to increase its attractiveness and may allow us to attract more organisations to subscribe to Feet's, thus increasing our recurring revenue. Further, the development of bolt-on modules for our cloud-based HCM solutions is expected to increase our flexibility in customising HCM solutions and to meet our customers' demand, which will in turn attract more business opportunities to our Group and eventually contribute to our business growth.

(iv) We plan to expand our IT staff augmentation business

For the Financial Years Under Review, revenue contribution from the provision of IT staff augmentation services was recorded at 17.58%, 18.66%, 8.35% and 3.46% of our total revenue respectively. According to the IMR report, the demand for IT staff augmentation services will continue to be driven as organisations choose to leverage on the technical IT knowledge and IT recruitment expertise of IT staff augmentation service providers to ensure the best talent with the right skillsets and experience are hired to meet their internal IT project requirements, thus allowing organisations to minimise the impact of mismatched hires that may cause potential disruptions to the projects. Notwithstanding that there is a slowdown in the demand for project-based recruitment due to the impact of COVID-19 pandemic on the financial position of many organisations leading to tighter budgets and abortion/delay of non-essential ad-hoc IT projects, our Group believes that such demand will revive once the impact of COVID-19 pandemic subsides and economy recovers. In view of the long term prospects and value propositions of project-based recruitment, we intend to expand our IT staff augmentation business.

However, the provision of IT staff augmentation services requires high cash commitment as the IT professionals supplied to our customers are hired under our Group's payroll. We pay the salaries of the IT professionals at the end of each month but we usually receive the fees (i.e. salaries with a percentage mark-up) from our customers at least another 1 month later (i.e. our customers are given credit periods of up to 45 days upon the issuance of invoices at every month-end). Hence, we require cash flow to fulfill the payroll of each IT professional supplied to our customers for the initial 2 months. Due to this high cash commitment, we have not actively expanded this business in the past as we need to preserve cash flow for our operations.

This IPO exercise gives us the platform to expand our IT staff augmentation business, where we intend to utilise RM0.79 million from our IPO proceeds, which is part of our working capital, to fund the cash flow requirements to support the initial 2-month payroll of the IT professionals, which we expect to hire and supply to our customers.

Our Group believes that the expansion of our IT staff augmentation business will allow us to generate additional revenue which in turn will improve our financial performance.

(v) We intend to increase the sale of software licences from large organisations

As part of our provision of HCM and student management solutions, we are also involved in the sale of software licences whereby we purchase HCM and student management software licences from software vendors on wholesale basis and resell them to our customers, thereafter followed by the implementation of HCM and student management solutions, respectively. Although our customers can choose to purchase software licences directly from software vendors, there are customers who prefer to transact with a single vendor who covers the entire implementation process of HCM and student management solutions including the sourcing of software licences.

The sale of software licences provides our Group with an additional source of revenue and profit. However, it requires us to purchase the licences from the software vendors in advance of any implementation of solutions. We are typically required to complete the payment for the licences to the software vendors within 30 days, while the cost of software licences are included as part of project value and we collect payment from our customers based on project milestones, which may spread over several months. For customers that we resell the software licences on a standalone basis, we grant these customers credit periods of up to 45 days, based on our customer requests. Further, as our customers are generally large organisations which require the purchase of licences numbering in the thousands, the cost to purchase software licences is relatively high. Both of these factors necessitate a high level of cash flow requirements for our Group. Hence, we require cash flow to support the payment to software vendors for the purchase of software licences before we collect payment from our customers which are generally spread across the project lifecycle. Due to the high cash flow required, we sell software licences only for selected projects based on available cash flow and not for all the HCM or student management solution projects that we are involved in.

As the sale of software licences generates additional stream of profits for our Group, we intend to secure the sales of software licences in more new HCM or student management solution projects when we secure these projects in the future. We intend to allocate RM2.25 million from our IPO proceeds, which is part of our working capital, to fund the cash flow requirements to expand this business segment.

In addition to increasing our profitability, the ability to secure the sales of HCM software licences along with our consulting and implementation services makes our Group well-positioned to be a one-stop solution provider for HCM and student management solution projects in the future, which will in turn contribute positively to our business growth and financial performance.

(vi) We plan to continue to expand our IT-related training business

Our Group has been involved in HCM-related business for around 10 years and has accumulated in-depth industry experience, relevant HR knowledge and IT knowledge as well as relationships with industry stakeholders. In 2020, our Group harnessed these experience, knowledge and relationships to expand our business into the provision of IT-related training to Malaysians who intend to upskill their technical knowledge and skills, primarily in computer software and solutions.

In August 2020, Rams Malaysia entered into an agreement with Megatech to provide IT-related training (i.e. office automation involving digitalisation of business operations using computer software) to unemployed Malaysians through online training sessions via Lark, under the Penjana Kerjaya Program introduced by the Government's Ministry of Human Resource. The Penjana Kerjaya Program, which commenced in August 2020, is a program focused on providing training in terms of reskilling and upskilling Malaysians to enhance their employability. The IT-related training provided by Rams Malaysia to individuals (i.e. unemployed Malaysians) who enrol as students of Megatech, are aimed to reskill and upskill Megatech's students in various aspects including the usage of computer software to enhance the efficiency of business processes.

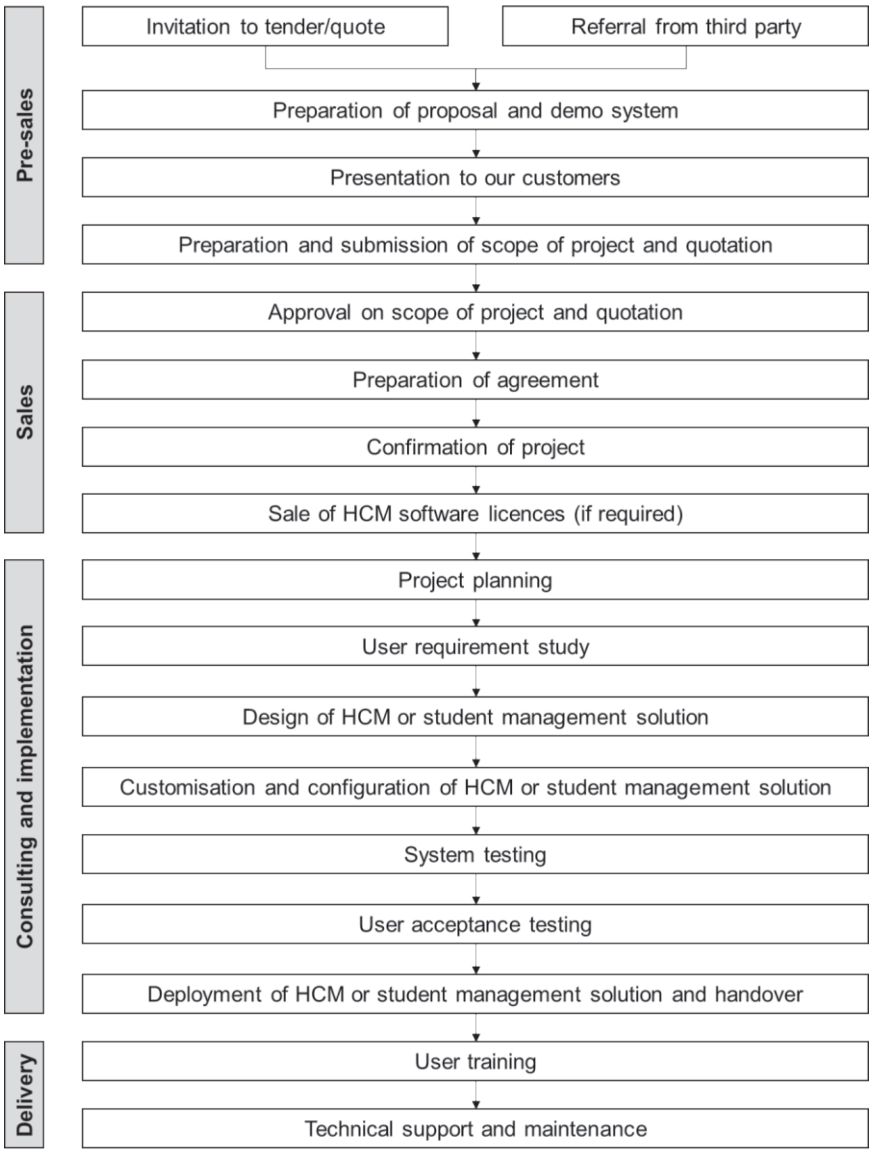
Moving forward, we intend to continue expanding this new business segment by closely observing the market needs in terms of the demand for specific training programs, as well as actively seek collaboration opportunities with third parties which will allow us to discover new business opportunities. Apart from office automation, we are in the process of designing several other training programs suitable for the Malaysian workforce, including business digital transformation and workplace industrialisation.

Our provision of IT-related training has provided us with an additional stream of revenue. It is also an avenue to expand our subscriber base for Lark as most of the training sessions which we anticipate to provide in the future will have options to be conducted via Lark in view of the COVID-19 pandemic and physical distancing measures in place. Further, it will enable us to expand our network and exposure to the talent market which is expected to consequently benefit our IT staff augmentation business.

The expansion of our IT-related training business shall be funded via internally generated funds or our working capital.

6.7 OUR OPERATIONAL PROCESS

The typical process flow of our HCM solutions business is depicted below:



Pre-sales

(i) Invitation to tender / quote or referral from third party

We participate in tenders and quotations after receiving invitations to tender or invitations to quote directly from the end-users (i.e. organisations and educational institutions), or referrals of projects from third parties such as software vendors, solution providers or existing customers. At this stage, we receive some basic information and requirements of the project such as the preferred HCM or student management software, modules required, number of employees or students, operating system and the existing HCM or student management software (where applicable), which allow us to evaluate the feasibility of the project.

(ii) Preparation of proposal and demo system

If the project is feasible, we will prepare a proposal and demo system according to the basic requirements provided for presentation to our customers. If the project is referred by a software vendor or a third party solution provider, we usually participate in the demo presentation with the presence of the software vendor or the third party solution provider as we will eventually be appointed by the software vendor or the third party solution provider for consulting and / or implementation works.

(iii) Presentation to our customers

During the presentation, we will gather additional details of the project from our customers, including detailed requirements of the HCM or student management solution, timeframe and budget. In addition, we will also understand the issues faced by our customers with their existing HCM or student management software.

(iv) Preparation and submission of scope of project and quotation

Thereafter, we will prepare a scope of work specifying the detailed specifications of our HCM or student management solution, project timeline and quotation, which will be submitted to the software vendor, the third party solution provider, the organisation or educational institution, whichever is our customer, for approval.

Sales

(i) Approval on scope of project and quotation

For projects awarded directly by the end-users (i.e. organisations or educational institutions), if our scope of project and quotation are approved, we will receive a letter of acceptance from the end-users and will proceed to the preparation of agreement. For projects referred by software vendors or third party solution providers, we will be notified by them and a purchase order will be issued to us as a confirmation of project.

(ii) Preparation of agreement

Our agreement outlines the detailed specifications of our HCM or student management solution, project timeline, project fees, payment terms as well as clauses in relation to our responsibilities including user acceptance testing, user training and complementary technical support and maintenance services, where applicable.

(iii) Confirmation of project

Once all requirements of the project are finalised, a signed agreement will be provided to us to confirm our appointment. The details of the project will then be provided to our project team for project planning.

(iv) Sale of software licences (if required)

In cases where we secure HCM or student management solution projects directly with the organisations or educational institutions which includes the provision of software licences, we will source software licences from our software vendor to be resold to our customers.

Consulting and implementation

(i) Project planning

During the project planning stage, we assemble a project team and plan the entire project schedule. A project team generally comprises a project adviser, a project manager, technical and functional consultants, quality control personnel as well as technical support and maintenance personnel. The project team will be responsible for all aspects of the project from consulting and implementation to delivery. Depending on the requirements of our projects and / or constraint of resources, we may outsource some specialised implementation works to other third party IT companies. A detailed project schedule stating the milestones to be achieved along the project timeline will also be outlined to ensure timely delivery.

(ii) User requirement study

Our consultants will gather information to understand the organisation's HR practices including their organisational dynamics, HR workflow processes, HR policies such as overtime wage rates, leave entitlement, claim limits, Key Performance Index and benefit entitlement, as well as the overall operational processes to determine if there are any linkages and configuration needed between our HCM solution and other business operations software such as software for finance, administration, production, sales and procurement. We will also identify any problems and / or potential areas for improvement according to the latest HR trends and methodologies, as well as evaluate the compliance of the systems to local employment laws. The information gathered will form the user requirement study which will be used for the design and customisation of HCM solutions.

For our provision of student management solutions, similar user requirement study will be carried out before designing the solutions, as further explained in Section 6.3.1(i) of this Prospectus.

(iii) Design of HCM and student management solution

After obtaining all the information needed, we will proceed to the design of the HCM or student management solution which includes the design and re-design of the organisation's HR workflow process or the educational institution's student management workflow process. We will outline an enhanced workflow process which may include automations to enhance the efficiency of their HR or student management functions. We will also consider the present HR or student management trends and methodologies as well as the local employment laws, where applicable, while designing the HCM or student management solution for the customer. Thereafter, we will present our proposal to the customer for discussions and confirmation to finalise all the details of the HCM or student management solution required.

(iv) Customisation and configuration of HCM or student management solution

Once all the details of the HCM or student management solution are approved by our customer, we will proceed to customise the solution according to the requirements of the project, which includes incorporating the modules needed into one platform, linking the modules, designing user interface and configuring the solution with other business operations software used by the customer, where applicable, on a test environment.

(v) System testing

Upon the completion of the development of HCM or student management solution, our consultants will perform checks on the system to ensure it meets the specifications stipulated in the agreement. Further, penetration tests will also be performed to ensure proper security measures are in place.

(vi) User acceptance testing

Thereafter, we conduct user acceptance testing with the presence of the representatives of the customer. The organisation's HR data or the educational institution's student data will be imported into the system and all the functions within our HCM or student management solution will be tested to ensure they perform correctly as per the requirements before the solution is deployed into use.

Once the user acceptance test is completed, it will be signed off by us and a representative from our customer.

(vii) Deployment of HCM or student management solution and handover

Following which, the HCM or student management solution will go live, where we will deploy the solution to the production environment and hand it over to the organisation or educational institution.

The deployment process may be executed by stages over a period of time depending to the availability and readiness of the system of the organisation or educational institution to avoid major technical issues and disruption to business operations. In addition, as some of our customers and the organisations or educational institutions may take a longer time during the processes of tender as well as reviewing and confirmation of vendors, and due to the difference in the implementation timeline for each project, there is no fixed duration between the invitation to tender/quote or referral from third party and the deployment of solutions. Based on our experience since business inception, the implementation duration for a project generally ranges from 3 months to 24 months.

Delivery

(i) User training

We will conduct user training to train the users on the functions of our HCM or student management solution.

(ii) Technical support and maintenance

For projects awarded directly by end-users (i.e. organisations or educational institutions), once our HCM or student management solution is deployed, we provide a complementary technical support and maintenance services of up to 1 year to ensure smooth transition and on-boarding process of the users. Upon the expiry of the free technical support and maintenance services, our customers may engage us for continuing technical support and maintenance services through an AMS agreement or request for ad-hoc technical support and maintenance services by man-hours as and when needed.

As we are involved in the handling and storage of customers' data, our Group adopts the following practices to avoid unauthorised access to our systems and / or our customers' data, thereby minimising the risk of potential security breaches.

Practice	Description
Strengthening hardware security	- All the devices (i.e. desktop computers and laptops) used by our employees for work purposes are password-protected and are installed with antivirus software.
Restriction of access to third party cloud platform	- We store Feet's subscribers' personal information, and our customised applications for Lark on a third party cloud platform. - This third party cloud platform can only be accessed by certain employees permitted by our key senior management.
Secure Sockets Layer ("SSL") certificate	- We also incorporate SSL in our own developed software and systems including Feet's and customised applications for Lark to safeguard the data transmission within these applications. - SSL is a technology involving digital certificates to verify the identities of accessers, thereby securing the data transmitted within Feet's and customised applications for Lark.

6.8 TECHNOLOGY USED

Our Group uses, and will continue to use, the following third party HCM and student management software for the provision of HCM and student management solutions to our customers; as well as resells a third party collaboration platform and a third party enterprise unified communications platform to our customers under our HCM technology applications business:

Software	Software vendor
<u>Provision of HCM and student management solutions</u>	
• Oracle Cloud HCM	Oracle Corp
• Oracle PeopleSoft HCM	Oracle Corp
• Oracle Taleo Talent Acquisition	Oracle Corp
• Oracle PeopleSoft Campus Solutions	Oracle Corp
• Sage EasyPay	Sage
<u>Provision of HCM technology applications</u>	
• Lark	Lark Technologies Pte Ltd
• Zoom	Zoom Video Communications, Inc

Save for Lark, our Group does not require licences for any other software disclosed in the table above as we do not use these software internally in our business operations, while our Group's rights to resell these software licences as part of our HCM and student management solutions business and HCM technology application business are stipulated under various agreements with the respective software vendors.

Apart from providing Lark as part of our offerings under HCM technology applications, we also use Lark internally as a collaboration platform among our employees. As such, our Group has licences to use Lark in our business operations on an annual subscription basis. Additionally, as part of our HCM and student management solutions business, we also provide off-site technical support services to customers from our centralised support centre based at our headquarters in Malaysia. We use an online ticketing system, namely Bitrix24 to enable the users to report the problems faced. Our Group has a licence to use Bitrix24 in our business operations on an annual subscription basis.

The following sets out the details of Lark and Bitrix24:

Software	Description
Lark	- We use Lark as a collaboration platform among our employees. - The communication functions help to facilitate effective communications between our employees by allowing real time interaction between our employees from any location. - The work-related functions such as document creation and editing as well as cloud storage and file sharing create a virtual office for our employees from different locations to work seamlessly. - Please refer to Section 6.3.3(ii) of this Prospectus for further details of Lark.
Bitrix24	- We use Bitrix24 as our tracking and ticketing system for our customers to report any technical issues faced with their HCM or student management solutions, and for us to keep track of and monitor the technical issues reported by our customers. - Our customers are given access to this tracking and ticketing system to report any technical issues faced by them. Thereafter, the system automatically routes the tickets to our technical support manager, and the manager will then evaluate the issues and assign to the respective team members for further actions. - We are able to monitor and record the status and details of each ticket within the system.

Notwithstanding that the usage of Lark is material to our Group, our Group believes that we will not face difficulties in licence renewals as we are a reseller of Lark. Further, notwithstanding that the usage of Bitrix24 is also material to our Group to carry out technical support and maintenance services, similar software are widely available in the market and hence, our Group has the option to substitute with other similar software in the event of unsuccessful renewal of licence with Bitrix24.

We also developed an employee engagement mobile application, Feet's, which aims to improve employee retention and engagement as well as allow employers to understand their employees better. We used R & Python programming tools for in the development of Feet's. The R & Python programming tools are programming languages hence we do not require licences to use the programming languages for the development of Feet's. The following sets out the details of R & Python programming:

Software	Description
R & Python programming	- R is a programming language and environment used for statistical computing and graphics; while Python is a programming language used for website development, data science software and business applications as well as system scripting, amongst others. - We use R & Python programming tool to build a data analytics tool with a set of algorithm and parameters to analyse employees' quizzes answers and behavioural data in order to measure the stress, engagement and happiness level of employees, which are indicators to employee satisfaction and loyalty. - As at the LPD, our data analytics tool is in the stage of data learning, and it is expected to produce meaningful and insightful results upon gathering sufficient data.

6.9 SALES AND MARKETING STRATEGIES

Our Group's sales and marketing team is primarily responsible for planning and executing sales and marketing activities and serving existing customers, while our pre-sales team (consists of consultants who are categorised under sales and marketing department) is responsible for attending inquiries from potential customers and preparation of proposals and demo systems, presentation to customers as well as preparation of scope of projects and quotation.

We actively engage in the following sales and marketing activities and strategies:

(i) Referrals from software vendors, business associates and our employees

Owing to the nature of the industry where end-users of HCM solutions (i.e. organisations) and student management solutions (i.e. educational institutions) may approach software vendors directly for their HCM and student management solutions respectively, we may secure projects from the software vendors where we are appointed by the software vendors to provide consulting and implementation services. We have been working with Oracle Corp and its respective local representatives namely Oracle Corporation Singapore Pte Ltd ("**Oracle Singapore**"), Oracle Malaysia, Oracle Corporation (Thailand) Co., Ltd ("**Oracle Thailand**") and / or PT Oracle Indonesia ("**Oracle Indonesia**") (collectively known as "Oracle Group") since the commencement of our business to secure HCM and student management solution projects, where we are involved in the provision of consulting and implementation services while Oracle Group supplies HCM software licences to the customers.

Our track record in providing HCM and student management solutions to large organisations and educational institutions has also brought in project referrals through recommendations by business associates including our customers, software vendors and third party solution providers. Further, we are able to maintain our business relationships with our customers when we provide technical support and maintenance services after the implementation of HCM and student management solutions. This provides us with business opportunities for any further upgrades of HCM and student management solutions and / or to sell other HCM offerings, namely IT staff augmentation services and HCM technology applications to our existing customers.

In April 2020, our Group started an employee referral programme as an initiative to encourage our employees to promote Feet's and Lark in order to help our Group to continue growing our business during the COVID-19 pandemic period. In return, employees who successfully secure any subscriptions of Feet's and / or Lark will receive an incentive as referral fee. Please refer to Section 6.9(iv) of this Prospectus for other initiatives which our Group undertakes to grow our business in light of the COVID-19 pandemic.

(ii) Tenders

Our Group is registered in several tendering platforms in various countries which we have presence in. These platforms include, ePerolehan by the Government, Malaysia Digital Economy Corporation, iSupplier Portal by RHB Bank Berhad, GeBIZ by the Government of Singapore, procurement portal of Singapore University of Technology and Design and eProcurement System by National University Singapore, all of which often have tenders posted by the respective parties.

Through these tendering platforms, we are provided with access to tenders for HCM or student management solutions. We will review the tenders and participate in tenders that we are interested in and qualified for. Apart from the tendering platforms, we also participate in closed tenders when we are invited by the end-users (i.e. organisations and educational institutions) directly.

(iii) Social media

We leverage on social media platforms to increase our exposure and market our HCM offerings through Facebook, Instagram, LinkedIn and TikTok. We collaborate with an external digital marketing company to manage and regularly update our social media pages with the latest news and trends in the HR industry, our on-going promotions and offerings and our company activities. Our active online presence allows us to reach out to wider group of audience comprising end users, business associates and merchants who may be interested in our HCM offerings or collaborating with us.

(iv) Special promotions

In view of the outbreak of the COVID-19 virus, the mandatory social / physical distancing measures or lockdown imposed by the respective government in the countries which we operate in had resulted in disruption in many business operations. Many organisations are required to close their operations at their premises and have their employees to work from home during the mandatory social / physical distancing or lockdown period. In such situation, Feet's and Lark are useful for many organisations to facilitate team work, enable smooth remote communications and to track employee productivity and employee engagement remotely. As such, we introduced a COVID-19 relief program in April 2020 in Malaysia to new customers and our existing customers an exclusive promotion of 45 days complementary subscription to Feet's and Lark. Aside from helping organisations in Malaysia to temporary relieve their financial pressure to ensure the continuity of their business operations during the movement restriction periods, the COVID-19 relief program allows us to increase the exposure of Feet's and Lark, and allow the users to experience the benefits and value of using Feet's and Lark, which may eventually be converted to potential paid subscriptions at the end of the complementary subscription.

Further, as we acknowledge that organisations may not be able to maintain their HCM solutions onsite during the movement restriction periods, we also offer promotional package for our remote technical support and maintenance services for HCM solutions (specifically for Oracle PeopleSoft HCM and Oracle HCM Cloud).

(v) Exhibitions, seminars, webinar, prints and roadshows

We participate in exhibitions and seminars relating to HR. We believe that participation in these exhibitions and seminars enhances our Group's visibility as it enables us to showcase our HCM offerings and provides us with significant opportunities to meet potential customers. It also enables us to stay updated with the latest HR knowledge and HCM solutions and technology. The following are exhibitions and seminars we participated over the last 3 FYEs and up to the LPD:

Year	Name of exhibition, seminar and webinar	Event owner	Location
2018	Human Resources Development Fund ("**HRDF**") Conference and Exhibition	Human Resource Development Corporation (**"HRD Corp"**) (previously known as HRDF)	Kuala Lumpur, Malaysia
2019	FMM Business Best Practices Seminar on "HR – Building and Sustaining a Digital Workforce"	Federation of Malaysian Manufacturers	Selangor, Malaysia
	HRDF Conference and Exhibition	HRD Corp (previously known as HRDF)	Kuala Lumpur, Malaysia
	11th Indonesia HR Summit 2019	- Special Task Force for Upstream Oil and Gas Business Activities Republic of Indonesia (SKK Migas) - Mining Industry Indonesia (MIND ID) - ConocoPhillips (Grissik) Ltd - International Jabung Ltd - PETRONAS Carigali Indonesia	Bali, Indonesia
2020	HR CAFÉ Ngopi Online – Finding Opportunity During Crisis	- Our Group - HR CAFÉ	Online through Lark

Further, we also organised a launching event to officially launch Feet's in Malaysia in March 2019. The launching event attracted several media companies and Feet's was subsequently covered in multiple newspapers, magazines and online news portals including The Star, New Straits Time, HR Asia, Digital News Asia and Vulcan Post. In Indonesia, Feet's was launched in October 2019 and was also covered in numerous media including NexTren, Liputan6, Dailysocial.id and Tribunnews. We also organise roadshows in some large organisations to promote Feet's. The organisations in which we organised roadshows since the launching of Feet's include:

Year	Organisation	Location
2019	Axiata Group Berhad	Axiata Tower, Kuala Lumpur
	Top Glove Corporation Bhd	Top Glove Tower, Setia Alam, Selangor

(vi) Corporate website

We have established our corporate website at *www.ramssolgroup.com* which provides information on our Group and our offerings. We have also established a website specifically for our HCM solutions at *www.ramssol.com* and Feet's at *www.feets.me*. Any parties who are interested in our offerings are able to contact us and our sales and marketing team will attend to the inquiries accordingly. The current widespread use of the internet as a source of information enables us to cross geographical boundaries and facilitates access from any part of the world, enhancing our potential market reach and exposure.

6.10 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

Our main supplies and services are software licences sourced from software vendors and subcontracted implementation services sourced from third party IT companies for our provision of HCM and student management solutions business. The amount of our purchases for supplies and services are dependent on the number, milestones and requirements of our HCM and student management solution projects in the particular year.

During the Financial Years Under Review and up to the LPD, our Group has not experienced any difficulties in sourcing for supplies and services from third party vendors, and these supplies and services are not subject to price fluctuations.

The breakdown of our purchases for supplies and services in the Financial Years Under Review is as follows:

	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Supplies and services	**RM '000**	**% of total purchases**	**RM '000**	**% of total purchases**	**RM '000**	**% of total purchases**	**RM '000**	**% of total purchases**
Software licences	725	100.00	3,803	98.80	2,332	83.02	2,663	73.38
Subcontractor fees	-	-	46	1.20	477	16.98	966	26.62
Total purchases	**725**	**100.00**	**3,849**	**100.00**	**2,809**	**100.00**	**3,629**	**100.00**

6.11 STANDARDS AND CERTIFICATIONS

Our Group has received the following certifications that assure our compliance with the international quality management system for the quality of our products and services, as well as with the safety, health and security standards of our workplace:

Standard	Company certified	Certification body	Date first awarded	Current validity period	Scope of certification
ISO 9001:2015	Rams Malaysia	CARE Certification International (M) Sdn Bhd	6 April 2016 (1)	8 May 2019 – 5 April 2022	Provision of application development, implementation and maintenance support
BizSAFE Level 3	Rams Singapore	Workplace Safety and Health Council, Singapore	8 October 2012	23 August 2018 – 22 August 2021	N/A

Note:

(1) Rams Malaysia obtained ISO 9001:2008 certification on 6 April 2016, and subsequently renewed to ISO 9001:2015 on 24 July 2018.

As at the LPD, Rams Malaysia is registered as a training provider under HRD Corp (previously known as HRDF) which allows us to provide training to individuals. Further, our Group is registered as a member of the Singapore Human Resource Institute which allows us to expand our presence through various networking events held by Singapore Human Resource Institute.

As at the LPD, our Group has a total of 9 in-house consultants who are certified by Oracle Corp, mainly for the provision of HCM and student management solutions, as follows:

Offices	Number of certified consultants	Number of certifications obtained (1)
Malaysia	6	28
Singapore	2	16
Thailand	-	-
Indonesia	5	6
Vietnam	2	4

Note:

(1) Some of our consultants have obtained more than 1 certification, hence the number of certifications obtained is more than the number of certified consultants.

All the certifications obtained by our consultants are by Oracle Corp. Examples of the certifications are Oracle Cloud HCM 2019 Sales Specialist, Oracle Global HR Cloud 2019 Sales Specialist, PeopleSoft 9.2 Human Resources Certified Implementation Specialist and PeopleSoft 9.2 HR Certified Implementation Specialist and Oracle Database 11g Administrator Certified Professional. While it is not a requirement from our customers to have all the consultants involved in their projects to be certified by Oracle Corp in order to carry out consulting and implementation works, it is a prerequisite specified by Oracle Corp to have at least 2 consultants within our Group to be certified by them in order to maintain our partnerships with Oracle Corp as an OPN member.

As our Group encourages and sponsors our consultants to undertake the examinations for Oracle Corp's certifications, in order to retain these consultants, we have outlined an employee retention policy involving employment bonds for consultants whom we sponsor for examinations for durations ranging from 3 months to 6 months upon obtaining the certifications from Oracle Corp.

6.12 OPERATING CAPACITIES AND OUTPUTS

As a HCM solution and technology specialist providing HCM and student management solutions, IT staff augmentation services and HCM technology applications, the calculations of operating capacities and output are not applicable to us.

6.13 R&D

We recognise the importance of continuous improvement in our offerings to ensure our competitiveness in the HCM solutions industry as well as employee engagement platforms and collaboration platforms market, in order to sustain the continuous growth of our business. Our R&D team is catered to the enhancement and/or development of our HCM offerings.

Our R&D team primarily focuses on the development and enhancement of Feet's. In addition to our designated R&D team, some of our consultants are also involved in R&D activities that are not related to Feet's. All personnel involved in R&D activities continuously explores and keeps abreast of the latest technology and / or software used in the HR industry, and ensures adoption of these technology and / or software in our HCM offerings, where applicable. This is to ensure the relevance of our HCM offerings to meet the latest demand for HCM solutions and technology from organisations. For instance, our consultants are involved in the development of customised applications to be integrated into Lark to enhance our customers' user experience or operational processes, upon request.

As a result of our R&D efforts, we successfully developed and launched an employee engagement mobile application, Feet's in Malaysia and Indonesia in March 2019 and October 2019 respectively. Our historical R&D achievements as well as on-going and future R&D projects are summarised as follows:

Achievement / project	Description	Actual / target commencement year	Actual / target completion year
Historical R&D achievements			
Development of Feet's	- An employee engagement mobile application developed in-house in collaboration with a professor of UMCH Technology Sdn Bhd. - It aims to improve employee retention and engagement as well as allow employers to understand their employees better. - Please refer to Section 6.3.3(i) of this Prospectus for further details of Feet's.	2017	2019
On-going R&D projects			
Integration between Bitrix24 and Lark	- As Lark is our Group's primary collaboration tool used by our employees to carry out daily work tasks, we intend to integrate our off-site support function for our HCM and student management solutions business, which currently runs on a third party platform (i.e. Bitrix24), to Lark.	2020	2021 (1)

6. BUSINESS OVERVIEW *(CONT'D)*

Achievement / project	Description	Actual / target commencement year	Actual / target completion year
	- This is aimed to streamline and standardise the software platforms used by our employees into a single platform. - Our off-site support function for HCM and student management business on Bitrix24 will be integrated into Lark through Alibaba Cloud services.		
Enhancement of Feet's with the incorporation of predictive analytics	- A more advanced data analytics tool which analyses the input data generated from users' behaviour on Feet's, and automates the prediction for better decision making using a set of pre-set algorithm and parameters. - It will be able to predict any potential resignations based on the results of stress, engagement and happiness levels of employees. - It will also be able to provide suggestions to improve the engagement and happiness of employees as well as reduce the stress of employees.	2019	2021
Development of customised applications for Lark	- Apart from offering the subscriptions of Lark, we can also develop customised applications to be integrated into Lark to enhance our customers' user experience or operational processes. - The customised applications are developed on a platform which is not related to Lark, and further integrated into Lark on Lark's integrated development environment. Thereafter, users can access these customised applications through Lark. - The customised applications developed will be owned by our Group and can be sold and integrated to our customers' Lark platform. These customised applications can also be re-used or integrated to other platforms, software or solutions in the future with some modification works. - Examples of customised applications which are currently being developed include claim management, student records management, class scheduling and dictionary.	2020	2021

Achievement / project	Description	Actual / target commencement year	Actual / target completion year
Future R&D projects			
Enhancement of Feet's with the incorporation of AI technology	- The AI technology containing machine learning capabilities and predictive data analytics is able to structure algorithms in layers to create "artificial neural network" that can learn and make intelligent decisions on its own. - It will automatically learn and study the input data generated from users' behaviour on Feet's and provide impactful insights for employers to improve employee engagement and to retain valuable talents. - AI technology can also offer predictive insights into employees' behavioural patterns such as an employee's tendency to quit; or providing insights for organisations to develop personalised training programs for individual employees based on their personalities and needs, hence improving employee engagement and helping the employers to retain valuable talents.	Immediate upon Listing	2 years upon commencement
Development of bolt-on modules for cloud-based HCM solutions	- Additional modules to be added into the default core systems developed by software vendors. - A cost effective way which enables customers to have extra customisation on their HCM solutions by including additional or supplementary functions to the default core systems.	Immediate upon Listing	2 years upon commencement

Note:

(1) As at the LPD. the integration between Bitrix24 and Lark is currently in the second phase of internal testing.

In the Financial Years Under Review, the expenses incurred for our R&D activities were for the development and enhancement of Feet's which commenced in 2017 and 2019 respectively; as well as integration between Bitrix24 and Lark and development of customised applications for Lark which both commenced in 2020, comprising mainly staff costs amounting to RM0.89 million, RM0.54 million, RM0.25 million and RM1.13 million, respectively.

6.14 SEASONALITY AND CYCLICALITY

Generally, there are no significant seasonality or cyclical patterns in the revenue of our Group during the past financial years.

6.15 INTERRUPTIONS TO THE BUSINESS AND OPERATIONS

(i) Impact on our business operations

On 11 March 2020, COVID-19 virus, also known as the novel coronavirus was declared a worldwide pandemic by the World Health Organisation.

In Malaysia, the Government announced the MCO, effective 18 March 2020 to 3 May 2020, which had caused the closure of all government and private premises except those involved in essential services, unless written permission is obtained from Ministry of International Trade and Industry. Subsequently, a CMCO was imposed between 4 May 2020 and 9 June 2020, and a RMCO was imposed between 10 June 2020 and 31 August 2020 and subsequently extended to 31 March 2021. These subsequent easing of control measures have allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures. However, due to a resurgence in COVID-19 cases in Malaysia, the Government had re-imposed the CMCO and MCO in certain states and federal territories in Malaysia for different durations since October 2020 until 11 May 2021. Beginning 12 May 2021 to 31 May 2021, the Government re-imposed the MCO nationwide (except for Sabah, Sarawak and Labuan which the restrictions were decided by the respective state / federal governments) which allowed all economic sectors to continue but prohibited or placed restrictions on social activities. Based on latest available information, from 1 June 2021 to 28 June 2021, Malaysia is placed under phase 1 of total lockdown which prohibited all economic activities except those involved in essential services or permitted by the Government. Selangor, in which our headquarters is located at, was subject to the re-imposed CMCO from 14 October 2020 to 12 January 2021, re-imposed MCO from 13 January 2021 to 4 March 2021, re-imposed CMCO from 5 March 2021 to 5 May 2021, re-imposed MCO from 6 May 2021 to 31 May 2021, and phase 1 of total lockdown from 1 June 2021 to 28 June 2021.

In Singapore, the Government of Singapore announced the Circuit Breaker, effective 22 April 2020 to 1 June 2020, which had caused the closure of all government and private premises except those involved in essential services. Subsequently, Phase 1: Safe Re-opening was imposed between 2 June 2020 and 18 June 2020, Phase 2: Safe Transition was imposed between 19 June 2020 and 27 December 2020, and Phase 3: Safe Nation was imposed beginning 28 December 2020. These subsequent easing of control measures have allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures, while businesses that are not included within the list of permitted services may apply for approval to operate from the Ministry of Trade and Industry Singapore.

In Thailand, the Government of Thailand had also declared an Emergency Situation involving nationwide curfews and travel bans, as well as control measures for businesses to observe, effective from 26 March 2020 to 31 July 2021. Businesses that were allowed to operate were required to adhere to a set of strict standard operating procedures. Several rounds of easing measures were announced between 1 May 2020 and up until the LPD, whereby there have been several relaxation of prohibitions or limitations on conducting or carrying out certain activities.

In Indonesia, the Government of Indonesia had on 2 April 2020 declared a '***Pembatasan Sosial Berskala Besar (PSBB)***' whereby governors of the respective provinces are required to apply with the Ministry of Health Republic of Indonesia to implement the PSBB in their provinces. Provinces that had received approval to implement the PSBB had ordered for the closure of all private premises except for those involved in essential services. Provincial governors, gauging the improvement on COVID-19 containment, may subsequently announce for the relaxation of control measures for their respective provinces. To better control the COVID-19 situation in Indonesia, the Government of Indonesia has implemented a '***Pemberlakuan Pembatasan Kegiatan Masyarakat (PPKM)***' in certain regions in Java and Bali effective from 11 January 2021 to 8 February 2021. The PPKM is aimed to be implemented in targeted regions that meet certain criterias set out by the Government of Indonesia. Unlike the PSBB which involves large-scale social restrictions, PPKM is implemented at targeted regions within a province to limit mobility within the region. Subsequently, to manage the COVID-19 situation more effectively, the Government of Indonesia has implemented PPKM at a micro scale ("**PPKM Mikro**") from 9 February 2021 to 28 June 2021. PPKM Mikro focuses on improving community discipline and law enforcement at a smaller scale, such as establishing guard posts in villages and sub-districts to handle COVID-19 situations in the respective villages and sub-districts.

In Vietnam, the Government of Vietnam imposed a nationwide social isolation or lockdown effective 1 April 2020 to 15 April 2020, which required for a strict nationwide isolation for 15 days, had caused the closure of all government and private premises except those involved in essential services. The nationwide social isolation or lockdown was further extended to 22 April 2020 in 12 provinces. Following that, the Government of Vietnam had on 24 April 2020 issued a guideline on nationwide control measures which have allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures. Further, depending on the severity of COVID-19 situation in each city, there were some smaller scale of lockdown measures being imposed in certain cities which prohibited some non-essential services.

In view of the lockdown and / or social / physical distancing measures imposed in the respective countries, the business operations of our Group and the majority of our customers were affected as the lockdown and / or social / physical distancing measures imposed had prohibited our consultants from continuing the implementation works for our HCM and student management solution projects at our customers' premises. While our consultants continued to work from home to ensure the continuation of project implementation, certain parts of our work were restricted such as physical sighting of confidential documents are unable to be carried out, and there were also delays in extraction of information required from our customers due to unstable connection to some customers' virtual private network, which had caused slight delays to our project delivery schedule. As our revenue from the delivery of services is recognised upon issuance of invoices based on project delivery milestones, the spillover effect from the delayed completion of project delivery milestone will subsequently affect our billing schedule from the second quarter of 2020 onwards for our HCM and student management solution projects secured prior to the outbreak of the COVID-19 virus.

Nevertheless, the provision of our technical support and maintenance services was not affected as our services can be provided off-site whereby our consultants continued to work from home to provide technical support and maintenance services to our customers.

Our IT staff augmentation business was also affected by the COVID-19 pandemic, as the economic impact of the COVID-19 pandemic have adversely affected the financial positions of many organisations which resulted in tighter budgets. As a result, organisations temporarily delay or abort their ad-hoc IT projects, thus affecting the demand for our IT staff augmentation services. Nevertheless, we have not received any request for termination, deferment or change in contract terms for our existing IT staff augmentation contracts.

In view of the COVID-19 pandemic, it had also affected our sales and marketing activities for HCM technology applications, namely Feet's, Lark and Zoom, in the countries where we provide such offerings. As a result of the lockdown and / or social / physical distancing measures, we are unable to carry out physical sales and marketing activities such as organising roadshows, and attending exhibitions and seminars to market Feet's, Lark and Zoom; as well as to secure brand partners for Feet's. This has affected our business opportunities in capturing the demand for these HCM technology applications. Notwithstanding that, our sales and marketing team continues to actively market these HCM technology applications through online channels such as social media platforms comprising Facebook, Instagram, LinkedIn and TikTok, to expand our market presence during the period of social / physical distancing measures. Please refer to Section 6.9 of this Prospectus for further details on our sales and marketing strategies.

- **Malaysia operations**

Pursuant to the imposition of the MCO, our office in Malaysia was closed between 18 March 2020 and 5 May 2020. During the period of office closure, all our employees continued to work from home. Following the imposition of the CMCO, our employees resumed work at our office starting from 6 May 2020 on a rotation basis. Since 14 October 2020 and up to the LPD, there were several rounds of office closure and reopening, depending on the degrees of movement restrictions and standard operating procedures imposed. Our employees have continued to work from home during the periods where our office is closed. In the event that certain employees are required at the office (e.g. retrieval of physical documents), the employees are required to obtain approval from our management team before entering our office. As at the LPD, our office is closed and our employees work from home. Pursuant to the imposition of phase 1 of total lockdown between 1 June 2021 and 28 June 2021, we received approval letter from the Government on 1 June 2021 which allows us to operate. While our office remains closed and our employees work from home during this period, the approval from the Government allows our employees to work at our office when required. As we are allowed to operate during the total lockdown period, we do not anticipate any disruptions to our business operations, financial performance and implementation of our business strategies and future plans in Malaysia.

Prior to the MCO, our Group has 1 on-going HCM solution project in Malaysia. In view of the MCO, the progress of the HCM solution project was affected as our consultants were prohibited from carrying out implementation works at the customer's premise. Following the implementation of the CMCO, our consultants were allowed to return to the customer's premise to continue with project implementation. Nevertheless, while the progress of the HCM solution project has been slightly affected during the MCO, we manage to catch up with the timeline and we do not expect delays to our project delivery schedule and impact on our billing schedule. Up until the LPD, we have not received any request for termination, deferment, change in contract terms or claim for any liquidated damages from our customer for our HCM solutions project in Malaysia. Further, there has been no impact to our operations in Malaysia arising from the re-imposition of the CMCO and MCO as well as phase 1 of total lockdown since October 2020 until the LPD.

Prior to the MCO, our Group has 4 on-going technical support and maintenance contracts in Malaysia. Our technical support and maintenance services in Malaysia were not affected by the MCO and other measures imposed by the Government including the re-imposed CMCO and MCO as well as phase 1 of total lockdown since October 2020 until the LPD. As such, our revenue from this business segment was not affected.

For our IT staff augmentation services, since the imposition of the MCO in March 2020 and up to the LPD, we have not received any request for termination, deferment or change in contract terms for our existing IT staff augmentation contracts in Malaysia. Nonetheless, we have completed 2 service contracts in the second quarter of 2020. As such, our revenue from this business segment was not affected.

For our offerings of Feet's, Lark and Zoom in Malaysia, we are unable to carry out physical sales and marketing activities for Feet's, Lark and Zoom, as well as to secure brand partners for Feet's as a result of the lockdown and physical distancing measures since the imposition of the MCO in March 2020 and up to the LPD. Notwithstanding that, we have continued to engage in sales and marketing activities through online channels such as social media platforms. As such, we did not face significant interruptions to the operations of our HCM technology applications business.

- **Singapore operations**

Pursuant to the imposition of the Circuit Breaker, our office in Singapore was closed since 7 April 2020. During the period of office closure, all our employees continue to work from home. As at the LPD, our Singapore office has not opened but our employees who are required to be present at our customers' premises have resumed work based on our customers' office policy.

Prior to the Circuit Breaker, our Group had not entered into any HCM solution project as well as any IT staff augmentation services contract with customers in Singapore.

Prior to the Circuit Breaker, our Group has 3 on-going technical support and maintenance contracts in Singapore. Our technical support and maintenance services in Singapore were not affected by the Circuit Breaker. Nevertheless, out of these 3 on-going contracts, 1 customer has requested to restructure their outstanding payment for a technical and support maintenance contract completed in April 2020 to a 6-month repayment until December 2020 due to the COVID-19 pandemic. Pursuant to further negotiation by the said customer, the period for repayment has been extended to March 2021 and we collected all the outstanding payment by March 2021. However, our revenue recognition from this business segment in FYE 2020 will not be affected. Save for the delay in collection of receivables from this customer that has resulted in minimal financial impact for the FYE 2020, there is no other financial impact arising from this request of payment extension.

For our offerings of Zoom in Singapore, we do not actively carry out sales and marketing activities as at the LPD. As such, we do not face significant interruptions to the operations of our HCM technology applications business. We do not offer Feet's and Lark in Singapore.

- **Thailand operations**

Pursuant to the declaration of Emergency Situation in Thailand, our office in Thailand was closed between 26 March 2020 and 31 May 2020. During the period of office closure, all our employees continued to work from home. However, employees who are required to be present at our customers' premises have resumed work based on our customers' office policy. Following the announcement of easing measures, our employees resumed work at our office starting from 1 June 2020 to 31 December 2020. Due to the resurgence of COVID-19 cases in Thailand, all our employees in Thailand have been working from home since 4 January 2021 until further notice.

Prior to the Emergency Situation, our Group has 4 on-going HCM solution projects in Thailand. In view of the Emergency Situation, our customers in Thailand had undertaken voluntary measures to close their business operations or to reduce their workforce capacity in a bid to curb the spread of the COVID-19 virus. As a result, the progress of our HCM solution projects were affected as our consultants were prohibited from carrying out implementation works at our customers' premises. Following the announcement of easing measures, our consultants were allowed to return to our customers' premises to continue with project implementation. Nevertheless, while the progress of the 4 projects has been slightly affected, we manage to catch up with the timeline and we do not expect delays to the delivery schedule and impact on our billing schedule. Up until the LPD, we have not received any request for termination, deferment, change in contract terms or claim for any liquidated damages from our customers for our HCM solution projects in Thailand as a result of the COVID-19 pandemic.

Prior to the Emergency Situation, our Group has not entered into any technical support and maintenance services contract, as well as IT staff augmentation services contract with customers in Thailand.

For our offerings of Lark and Zoom in Thailand, we are unable to carry out physical sales and marketing activities as a result of the lockdown and social distancing measures. Notwithstanding that, we have continued to engage in sales and marketing activities through online channels such as social media platforms. As such, we do not face significant interruptions to the operations of our HCM technology applications business. We do not offer Feet's in Thailand.

- **Indonesia operations**

Pursuant to the announcement of the PSBB, our office in Indonesia was closed between 28 July 2020 and 26 August 2020. During the period of office closure, all our employees continued to work from home. Following which, our employees resumed work at our office starting from 27 August 2020 on a rotation basis. However, in view of the implementation of PPKM in Jakarta between 11 January 2021 and 8 February 2021, our office in Indonesia was closed and all our employees worked from home, except for certain employees who are required at the office on certain days. Further, following the implementation of PPKM Mikro from 9 February 2021 to 28 June 2021, all our employees have continued to work from home except for managerial employees and employees for finance and administrative functions.

Prior to the PSBB, our Group has 1 on-going HCM solution project in Indonesia. In view of the PSBB, the progress of the project was affected as our consultants were prohibited from carrying out implementation works at the customer's premise. Further, due to unstable internet connection, our consultants in Indonesia were not able to connect to the customer's virtual private network and as a result, our consultants were not able to continue with the implementation works off-site during the PSBB. Hence, we have entered into an agreement with the customer in Indonesia for the deferment of implementation works, for a period of 2 months. This deferment had relieved our Group from liquidated damages claims from the customer that would be resulted from delayed completion in implementation works. Nevertheless, as we billed this customer the full amount of project value at the project commencement and due to the completion of the project, this customer has fulfilled the payment accordingly. Thus, our revenue recognition for this project was not affected by the 2-month deferment. Further, in April 2021, we also experienced a slight delay in user acceptance testing for a project in Indonesia due to the COVID-19 pandemic, thereby affecting the sign-off and estimated completion date of the project for approximately 2 months to June 2021. Although this has slightly affected our billing schedule, it is not expected to significantly affect our financial performance for FYE 2021 as the customer sign-off is expected to be received by June 2021.

Prior to the PSBB, our Group has not entered into any technical support and maintenance services contract, as well as IT staff augmentation services contract with customers in Indonesia.

For our offerings of Feet's, Lark and Zoom in Indonesia, we are unable to carry out physical sales and marketing activities for Feet's, Lark and Zoom, as well as to secure brand partners for Feet's as a result of the lockdown and social distancing measures. Notwithstanding that, we have continued to engage in sales and marketing activities through online channels such as social media platforms. As such, we do not face significant interruptions to the operations of our HCM technology applications business.

- **Vietnam operations**

Our employee in Vietnam has been working from home and hence, the nationwide social isolation or lockdown imposed by the Government of Vietnam does not affect our operations in Vietnam.

Prior to the nationwide social isolation or lockdown, our Group had not entered into any HCM solution project as well as technical support and maintenance services contract. We do not offer IT staff augmentation services in Vietnam.

For our offerings of Lark and Zoom in Vietnam, we do not actively carry out sales and marketing activities as at the LPD. As such, we do not face significant interruptions to the operations of our HCM technology applications business. We do not offer Feet's in Vietnam.

(ii) Impact on our business cash flows, liquidity, financial position and financial performance

The interruption to our business operations in the respective countries, as a result of the COVID-19 pandemic, had affected the project delivery schedules for some of our on-going HCM solution projects that were secured prior the outbreak. Nevertheless, the delays in project delivery schedules were not major as we managed to catch up with most of the timelines. As such, our billing schedules were not materially affected and our financial performance in the FYE 2020 was not affected. Nevertheless, there is no assurance that a prolonged COVID-19 pandemic and its effects will not adversely affect our operations and financial performance.

As at the LPD, we have:

(i) cash and bank balances of approximately RM3.40 million; and

(ii) bank borrowings (excluding lease liabilities recognised under MFRS 16) up to a limit of RM4.51 million, of which RM3.76 million has been utilised. The remaining RM0.75 million of unutilised bank borrowings consist of two bank overdrafts.

Our Board is confident that, after taking into account our gearing and cash flow position, banking facilities currently available to our Group as well as our future plans set out in Section 6.6 of this Prospectus, our working capital will be sufficient for the existing and foreseeable requirements for a period of 12 months from the date of this Prospectus.

We did not receive any claw back or reduction in the banking facilities limit granted to us by our lenders. In addition, we do not anticipate any financial difficulties in meeting our debt obligations in the foreseeable future. We do not expect any material impairment to our assets, inventories or receivables.

Based on the above, we do not expect any material impact to our cash flows, liquidity, financial position and financial performance.

(iii) Impact to our business and earning prospect

The operations of our business has resumed after subsequent easing of control measures that allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures which enable us to catch up on the timeline of our projects. The economic impact of the COVID-19 pandemic may have affected the financial positions of many organisations. Organisations may be more cautious in their spending moving forward and prioritise resources in recovering their sales performance and financial position after the crisis ends.

This may temporarily affect the demand for HCM solutions in view of its high cost of investment and may consequently cause a slowdown in the demand for our HCM solutions. Notwithstanding that, our Group does not expect material adverse impact on the demand for our technical support and maintenance services.

The economic impact of the COVID-19 pandemic may also result in organisations delaying or aborting non-essential ad-hoc IT projects. As such, this may affect the demand for our IT staff augmentation services. In the event that our existing customers decide to terminate our IT staff augmentation contract, it will adversely affect our financial performance as our Group is unable to recognise the full contract value.

In addition, our business expansion plan into the Philippines may be delayed if the situation of the COVID-19 pandemic, especially in Southeast Asia is not fully subsided and if the travel restriction persists upon our Listing. Our Group expects that there may be a slower process for setting up the office in Manila, difficulties in recruiting and training staffs as well as difficulties in carrying out marketing activities to promote our offerings.

According to the IMR Report, employee engagement platforms and collaboration platforms have become increasingly important as they enable businesses to continue their operations with employees working from home through such platforms. This has led to a change in the way people work as well as organisations' acceptance of the importance of employee engagement platforms and collaboration platforms for effective remote communication and collaboration. As such, our Group expects increased demand for Feet's, Lark and Zoom going forward.

Our Group's ability to secure orders during the COVID-19 pandemic may be affected as potential customers with projects of considerable value prefer physical interaction with our representatives. Despite the negative impact on our Group from the COVID-19 pandemic, we have managed to secure new subscriptions for Lark in Malaysia since the imposition of the MCO in March 2020 up to the LPD.

(iv) Strategy and steps taken to address the impact of COVID-19

In response to the COVID-19 pandemic, our Group has established an infection control committee in our headquarters in Malaysia, to oversee the adherence of infection control measures in accordance to the guidelines and standard operating procedures on COVID-19 prevention in all subsidiaries. The infection control measures include amongst others:

- Wearing of face masks in work places;
- Daily taking and recording of body temperature before entering the work places;
- Sanitising hands before entering work places and all employees are encouraged to sanitise and wash their hands with soap and water frequently throughout the day;
- Sanitising all common areas of work places 3 times a day (i.e. before commencement of work, after lunch and after close of business);
- Practising 1 metre physical distancing at work places; and
- Avoidance of unnecessary travels and face-to-face meetings, where possible.

Notwithstanding the above, our Group has put in place a business contingency plan in the event of any infection cases at our business premise, which is summarised as follows:

(i) Employee relief plan

Each employee has been assigned with a relief person for their tasks. Both personnel in-charge are not allowed to make any external appointments or business trips together to mitigate the risk of infection.

(ii) Employee rotational program

To mitigate the risk of infection, when each of our offices was first re-opened, all employees have been segregated into various teams and each team has specified days to report to work at office or to work from home. In the event that any of our employees are infected with the COVID-19 virus, the particular team members of the infected employee(s) will be quarantined while the other teams will be able to work as usual to maintain business continuity.

Save for the interruption to business operations as a result of the COVID-19 pandemic, our Group has not experienced any other interruptions in our operations which had a significant impact on our operations during the past 12 months preceding the LPD.

6.16 MAJOR CUSTOMERS

Our Group's top 5 major customers for the Financial Years Under Review are as follows:

FYE 2017:

Major customer	Revenue contribution RM '000	%	Offerings [(1)]	Country	Length of business relationship (years) [(2)]
CapitaLand Limited [(3)]	2,108	30.96	(a)	Singapore	9
RHB Bank Berhad	1,021	14.99	(a)	Malaysia	6
CapitaLand Singapore BP&C Pte Ltd [(3)]	887	13.02	(a)	Singapore	6
National University of Singapore	361	5.30	(a)	Singapore	6
Paramount Corporation Berhad	315	4.63	(a)	Malaysia	5
Sub-total	**4,692**	**68.90**			
Total	**6,808**	**100.00**			

FYE 2018:

Major customer	Revenue contribution RM '000	%	Offerings [(1)]	Country	Length of business relationship (years) [(2)]
P.R. Recruitment and Business Management Co Ltd	3,436	27.43	(a)	Thailand	3
RHB Bank Berhad	2,017	16.10	(a)	Malaysia	6
CapitaLand Business Services Pte Ltd [(3)]	1,158	9.25	(a)	Singapore	3
CapitaLand Limited [(3)]	996	7.96	(a)	Singapore	9
ThaiFoods Group Public Company Limited	896	7.16	(a)	Thailand	4
Sub-total	**8,503**	**67.90**			
Total	**12,523**	**100.00**			

FYE 2019:

Major customer	Revenue contribution RM '000	%	Offerings [(1)]	Country	Length of business relationship (years) [(2)]
CapitaLand Business Services Pte Ltd [(3)]	2,359	15.28	(a)	Singapore	3
Company D [(4)]	2,025	13.12	(a)	Malaysia	3
Export Import Bank of Thailand	1,615	10.46	(a)	Thailand	2
CV Surya Mandiri	1,300	8.42	(a)	Indonesia	3
Company A [(5)]	1,255	8.13	(a) and (b)	Malaysia	7
Sub-total	**8,554**	**55.41**			
Total	**15,439**	**100.00**			

FYE 2020:

Major customer	Revenue contribution RM '000	%	Offerings [1]	Country	Length of business relationship (years) [2]
Megatech	9,029	35.64	(c)	Malaysia	1
Export Import Bank of Thailand	3,766	14.87	(a)	Thailand	2
CapitaLand Business Services Pte Ltd [3]	2,093	8.26	(a)	Singapore	3
Bank Of Ayudhya Public Co., Ltd	1,622	6.40	(a)	Thailand	2
PT Sigma Solusi Integrasi [6]	1,174	4.63	(a)	Indonesia	1
Sub-total	**17,684**	**69.80**			
Total	**25,331**	**100.00**			

Notes:

(1) Category of products and/or services sold:

(a) HCM or student management solutions
(b) IT staff augmentation services
(c) HCM technology applications

(2) Length of business relationship with our major customers is calculated based on the commencement date of our first project/ business transaction with these customers up to the LPD.

(3) Companies under the CapitaLand group of companies. CapitaLand Singapore BP&C Pte Ltd is one of the largest unitholders of Ascendas Real Estate Investment Trust, whereby CapitaLand Limited has an equity stake of 18.00% in Ascendas Real Estate Investment Trust as at 31 December 2020. CapitaLand Business Services Pte Ltd is a wholly-owned subsidiary of CapitaLand Limited.

(4) Company D is a local engineering conglomerate that is principally involved in engineering and construction, township and property development, expressways and asset facilities management. Its headquarters is in Malaysia with presence in various countries such as Singapore, Australia, New Zealand, United Kingdom and the Middle East. Company D is a wholly-owned subsidiary of a sovereign wealth fund of the Government. There is a confidentiality clause in the agreement entered into between Rams Malaysia and Company D which restricts Rams Malaysia from disclosing the terms of the agreement. Pursuant thereto, a consent was sought for disclosure of the business relationship with Company D as well as the financial information of Company D pursuant to the IPO but the consent for disclosure was refused. As such, the name of Company D is not disclosed in this Prospectus. Please refer to the 'Definition' section of this Prospectus for further information on Company D.

(5) Company A is a subsidiary of a multinational computer technology corporation with headquarters in the United States of America that is principally involved in selling database software and technology, cloud engineered systems, and enterprise software products that manages business operations and customer relations. Company A is located and operates in Malaysia. There is a confidentiality clause in the master distribution agreement entered into between Rams Malaysia and Company A which requires Rams Malaysia, amongst others, not to disclose information regarding the financial performance of Rams Malaysia specifically related to Company A's programs / services without prior consent from Company A. Pursuant thereto, a consent was sought for disclosure of the business relationship with Company A and its related companies as well as the financial information of Company A pursuant to the IPO but the consent for disclosure was refused. As such, the name of Company A is not disclosed in this Prospectus. Please refer to the 'Definition' section of this Prospectus for further information on Company A.

(6) While this project was secured through PT Sigma Solusi Integrasi, the consulting and implementation services were provided to PT Telekomunikasi Selular. PT Sigma Solusi Integrasi is a subsidiary of PT Telekomunikasi Selular.

In the Financial Years Under Review, the percentage of revenue contributed by our top 5 major customers are approximately 68.90%, 67.90%, 55.41% and 69.80% to our Group's total revenue respectively. The revenue contribution from our major customers were mainly derived from the provision of HCM and student management solutions which are mainly project-based (except for technical support and maintenance of HCM solutions). In the FYE 2020, the revenue contribution from our largest customer, namely Megatech was derived from the provision of consulting and implementation as well as technical support and maintenance in relations to Lark and provision of IT-related training under our HCM technology applications segment.

The value of HCM and student management solution projects generally vary, depending on the types of software, modules to be implemented, duration of project, number of consultants required and complexity of the solutions in terms of the end-users' employee or student management workflow processes. The scale and implementation timeline of each HCM and student management solution project also vary according to the amount of changes and upgrades required. Once the implementation of a HCM and student management solution is completed, the organisation and educational institution will adopt and maintain the system before the next major investment is required for major upgrades. As such, we are not dependent on any one of our major customers and we may derive substantial revenue from different customers based on their investment budgets. In addition, following the completion of HCM and student management solution projects, the customers may continue to engage us for technical support and maintenance services, hence some customers may be listed as our top 5 major customers for consecutive years.

The value of revenue contribution from the provision of HCM technology application, particularly the provision of consulting and implementation as well as technical support and maintenance in relations to Lark, may fluctuate for each FYE as it generally depends on the number of subscriptions secured, subscription periods, as well as complexity of the consulting and implementation works and technical support and maintenance services requested by our customers during the subscription periods. As such, notwithstanding that Megatech contributed to our Group's revenue significantly at 35.64% in the FYE 2020, we are not dependent on Megatech as we may derive substantial revenue from different customers who subscribe Lark including our consulting and implementation as well as technical support and maintenance services. This can be achieved through our active efforts in expanding the presence and subscriber base of Lark in Southeast Asia as part of our business strategies set out in Section 6.6(ii) of this Prospectus. Further, our active effort in expanding our HCM technology application business segment is also an effort to diversify our source of income and reduce reliance on generating revenue from the provision of HCM and student management solutions.

(The rest of this page is intentionally left blank)

6.17 MAJOR SUPPLIERS

Our Group's top 5 major suppliers for the Financial Years Under Review are as follows:

FYE 2017:

Major supplier	Purchase contribution RM '000	%	Products / services sourced (1)	Country	Length of business relationship (years) (2)
Company B (3)	297	40.97	(a) / (b)	Thailand	4
Avnet Technology Solutions (Singapore) Pte Ltd	275	37.93	(a)	Singapore	6
Company A (3)	153	21.10	(a) / (b)	Malaysia	6
Sub-total	**725**	**100.00**			
Total	**725**	**100.00**			

FYE 2018:

Major supplier	Purchase contribution RM '000	%	Products / services sourced (1)	Country	Length of business relationship (years) (2)
Company B (3)	3,340	86.77	(a) / (b)	Thailand	4
Company C (3)	272	7.06	(a) / (b)	Singapore	3
Company A (3)	191	4.96	(a) / (b)	Malaysia	6
4i Apps Solutions Pte Ltd	46	1.21	(b)	India	3
Sub-total	**3,849**	**100.00**			
Total	**3,849**	**100.00**			

FYE 2019:

Major supplier	Purchase contribution RM '000	%	Products / services sourced (1)	Country	Length of business relationship (years) (2)
Company B (3)	2,103	74.87	(a) / (b)	Thailand	4
Company C (3)	207	7.37	(a) / (b)	Singapore	3
System Plus Group Co Ltd	165	5.87	(b)	Thailand	2
Chain-Sys Asia Pacific Pte Ltd	152	5.41	(b)	Singapore	2
Concinnate Technology Solutions India Pvt Ltd	79	2.81	(b)	India	2
Sub-total	**2,706**	**96.33**			
Total	**2,809**	**100.00**			

FYE 2020:

Major supplier	Purchase contribution RM '000	%	Products / services sourced [(1)]	Country	Length of business relationship (years) [(2)]
Company B [(3)]	2,213	60.98	(a) / (b)	Thailand	4
Company E [(3)]	457	12.59	(a) / (b)	Indonesia	1
Company C [(3)]	276	7.61	(a) / (b)	Singapore	3
System Plus Group Co Ltd	209	5.76	(b)	Malaysia	2
MFEC Public Company Limited	123	3.39	(b)	Thailand	1
Sub-total	**3,278**	**90.33**			
Total	**3,629**	**100.00**			

Notes:

(1) Category of products / services sourced:

(a) Software licences
(b) Subcontracted implementation services

(2) Length of business relationship with our major suppliers is calculated based on the date of our first business transaction with these suppliers up to the LPD.

(3) Company A, Company B, Company C and Company E are subsidiaries of a multinational computer technology corporation with headquarters in the United States of America that is principally involved in selling database software and technology, cloud engineered systems, and enterprise software products that manages business operations and customer relations. Company A is located and operates in Malaysia, Company B in Thailand, Company C in Singapore and Company E in Indonesia. There is a confidentiality clause in the master distribution agreement entered into between Rams Malaysia and Company A which requires Rams Malaysia, amongst others, not to disclose information regarding the financial performance of Rams Malaysia specifically related to Company A's programs / services without prior consent from Company A. Pursuant thereto, a consent was sought for disclosure of the business relationship with Company A, Company B, Company C and Company E as well as the financial information of Company A, Company B, Company C and Company E pursuant to the IPO but the consent for disclosure was refused. As such, the names of Company A, Company B, Company C, and Company E are not disclosed in this Prospectus. Please refer to the 'Definition' section of this Prospectus for further information on Company A, Company B, Company C and Company E.

For the FYE 2017 and FYE 2018, our Group purchased software licences and sourced for subcontracted implementation services from less than five suppliers. Most of our offerings under HCM and student management solutions business (i.e. consulting and implementation, sale of licences and technical support and maintenance services) use software developed by Oracle Corp. Hence, our HCM and student management solutions business is dependent on Oracle Corp. We are assessed by Oracle Corp on an annual basis when we renew our partnership status with Oracle Corp yearly. The Oracle partnership status and some additional terms and conditions associated to the partnership status stipulate our rights to resell their software licences to customers by sourcing the licences from their local representatives (i.e. in Malaysia, Thailand, Singapore and Indonesia) based on the locations of our customers' operations; and to provide implementation services of HCM and student management solutions using their software. Please refer to Section 6.3.1(v) of this Prospectus for our Group's partnerships with Oracle Corp. If we are unable to renew our partnership status with Oracle Corp yearly, our HCM and student management solutions business may be disrupted as we may not be able to purchase software licences directly from them as well as provide implementation and technical support and maintenance services of HCM and student management solutions using their software. As such, we may not be able to secure new projects directly from end-users for the provision of HCM and student management solutions using Oracle Corp's software. Further, the inability to renew our partnership status with Oracle Corp may result in disruptions to our existing projects secured directly from end-users as these end-users may need to appoint a new solution provider(s) to take over the existing projects if our Group is not allowed to complete our existing projects resulting from the unsuccessful partnership renewal. All of which will materially affect our HCM and student management solutions business.

Nevertheless, if we are unable to renew our partnership status with Oracle Corp, our Group would still be able to provide consulting services to end-users directly, and to provide implementation of solutions by securing projects through Oracle Corp's representatives or third party solution providers as a subcontractor for their projects. However, we will not be able to resell Oracle Corp's software licences to end-users upon non-renewal of our partnership with Oracle Corp. Additionally, our Group has put in efforts to diversify our offerings by including Sage EasyPay as part of our HCM solution offerings as well as expand our businesses into HCM technology applications through the development of Feet's, reselling of Lark and the provision of IT-related training via Lark. Further, we may explore opportunities to partner with other software vendors in the event of unsuccessful partnership renewal with Oracle Corp.

In the Financial Years Under Review, Company B was our largest supplier who contributed approximately 40.97%, 86.77%, 74.87% and 60.98% to our total purchases respectively. We also purchased from Company C, who contributed approximately 7.06%, 7.37% and 7.61% to our total purchases in FYE 2018, FYE 2019 and FYE 2020 respectively, and from Company A who contributed approximately 21.10% and 4.96% to our purchases in FYE 2017 and FYE 2018, respectively. In FYE 2020, we purchased from Company E, who contributed approximately 12.59% to our purchases. In FYE 2017, Avnet Technology Solutions (Singapore) Pte Ltd, an appointed licenced reseller of Company C, was our second major supplier providing software licences for our HCM solution project with National University of Singapore that requires our Group to provide software licence renewal for several years. The project commenced in 2015 and at that point in time, we were unable to purchase software licences directly from Company C as we had yet to demonstrate our ability to pay for the purchase of software licences within the stipulated credit term. Hence, we purchased software licences from Avnet Technology Solutions (Singapore) Pte Ltd under a similar credit term to Company C, which we paid within the given credit term. Thereafter, having demonstrated our ability to pay within the stipulated credit term, we have been able to purchase software licences directly from any Oracle Corp representatives.

While we are dependent on Oracle Corp to continue the partnership status with our Group, we have also worked closely with Oracle Group since the commencement of our business to secure HCM and student management solution projects where we are involved in the provision of consulting and implementation services while Oracle Group will supply software licences to the customers. With our long-standing and mutually beneficial business relationship with Oracle Group, as well as our reputation in the industry, our Group believes that we will be able to continue to purchase software licences from Oracle Group, thus assuring the supply of Oracle Corp's software licences.

Save as disclosed above, we are not dependent on any of our major suppliers.

6.18 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENT AND OTHER ARRANGEMENTS

6.18.1 Oracle PartnerNetwork Agreement

The OPN agreement primarily operates to grant us membership to the OPN as an OPN member. As an OPN member, we are granted the following benefits:

- access to the OPN portal and access to any web-based assistance from Oracle Corp;
- access to monthly OPN newsletter(s) containing product updates and training opportunities for OPN members;
- eligibility to attend exclusive events and workshops for OPN members only;
- visibility on Oracle Corp's website(s) showcasing our areas of expertise; and
- support from local Oracle Corp's representatives.

Under our OPN membership, we are also allowed to purchase software licences through Oracle Corp's representatives and subsequently resell those software licences to our end-users. Our OPN membership also grants us the option to enter into agreements with the relevant local Oracle entity such as the master distribution agreements set out in Section 6.18.2 of this Prospectus that streamlines our ability to purchase software licences directly through the online OPN portal without having to go through Oracle Corp's representatives and allows us to distribute software licences (including cloud services and demonstration services) to our end-users.

Further, we are allowed to provide implementation of Oracle Corp's cloud-based HCM software solutions directly to our end-users with our OPN membership.

Our Group has been an OPN member since 2013 when Rams Singapore was accepted by Oracle Singapore to join as an OPN member. The OPN membership of Rams Singapore was renewed subsequently by way of a yearly renewal process with Oracle Singapore. Over the years, our other subsidiaries were also enroled under the OPN membership of Rams Singapore.

On 3 December 2020, we had submitted our application for renewal of OPN membership for companies within the Group with Oracle Malaysia for the year of 2021. In the renewal application, Rams Malaysia was named as principal [(1)] and in turn Rams Singapore, Rams Thailand, Rams Indonesia and Rams Vietnam were named as subsidiaries of Rams Malaysia to reflect our existing group structure. Following the renewal of OPN membership for the companies within our Group for the year of 2021, a new OPN agreement was entered into between Rams Malaysia and Oracle Malaysia on 12 January 2021 with Rams Malaysia as the new principal and Rams Singapore, Rams Thailand, Rams Indonesia and Rams Vietnam as subsidiaries to reflect our current Group structure ("**Malaysia OPN Agreement**").

Note:

(1) A "principal" is defined by Oracle Corp in its website as the headquarter entity that has the central role of executing agreements with Oracle Corp and managing its OPN membership as well as the OPN membership of its subsidiaries.

The Malaysia OPN Agreement came into effect on 30 January 2021 with a validity period of 1 year from 30 January 2021 to 29 January 2022 and the salient terms of which are as set out below:

(i) OPN membership is subject to the payment of annual membership fees as stated in the relevant OPN policies. In the event that Rams Malaysia no longer meets the applicable qualifiers for its current membership or if Rams Malaysia applies to change its membership, Rams Malaysia shall pay the new annual membership fees in the event it elects to change its membership and such membership fees are non-cancelable and non-refundable;

(ii) if a third party makes a claim against Rams Malaysia and/or its subsidiaries or an end user that any indemnified material, infringes their intellectual property rights, Oracle Malaysia at its sole cost and expense will defend Rams Malaysia and/or its subsidiaries and end user against the claim and indemnify Rams Malaysia and/or its subsidiaries and end user from damages, liabilities, cost and expenses awarded by the court to the third party claiming infringement or the settlement agreed to by Oracle Malaysia provided that the procedures and conditions for claims are adhered to;

(iii) if Rams Malaysia and/or its subsidiaries' membership in the OPN expires or is terminated, it will cease to be a member of the OPN and all of its rights to receive the services and benefits under the Malaysia OPN Agreement or the relevant OPN policies and right to use Oracle Malaysia's property shall cease;

(iv) If either Oracle Malaysia or Rams Malaysia and/or its subsidiaries breaches a material term of the Malaysia OPN Agreement and fails to correct the breach within 30 days of written specification of the breach, then the non-breaching party may terminate the Malaysia OPN Agreement;

(v) If Oracle Malaysia terminates the Malaysia OPN Agreement, Rams Malaysia and/or its subsidiaries must pay within 30 days from notification of the termination all amounts which have accrued prior to such end, as well as sums remaining unpaid for programs and / or services received under the Malaysia OPN Agreement plus related taxes and expenses;

(vi) The Malaysia OPN Agreement is governed by the substantive and procedural laws of Malaysia and the exclusive jurisdiction of the courts in Malaysia in any dispute arising out of the Malaysia OPN Agreement; and

(vii) Except for actions for non-payment or breach of Oracle Malaysia's proprietary rights, no action, regardless of form, arising out of or relating to the Malaysia OPN Agreement may be brought by either Oracle Malaysia or Rams Malaysia and / or its subsidiaries more than 2 years after the cause of action has accrued.

6.18.2 Master Distribution Agreements

The master distribution agreement grants OPN members a non-exclusive and non-transferable right to distribute to end users, Oracle Corp's programs, hardware and / or services with the value added package, which includes amongst others, cloud services and demonstration services ("**Oracle Products & Services**") as may be identified from time to time and accessible through the OPN portal. The principal (and by extension, its subsidiaries) are therefore granted the following benefits:

- ability to log a request via the OPN portal to purchase Oracle Corp's software licences directly without having to go through Oracle Corp representatives, thereby streamlining the purchasing process of Oracle Corp's software licences via the OPN portal;

- ability to request for discounts on the sale price of Oracle Corp's software licences during the purchasing process via the OPN portal; and

- ability to track the purchasing activities of each company within our Group that has purchased Oracle Corp's software licences under the master distribution agreement.

On 5 August 2016, Rams Singapore entered into our first OPN master distribution agreement with Oracle Singapore with a validity period of 2 years from 5 August 2016. As part of the renewal process, Rams Singapore entered into successive OPN master distribution agreements with Oracle Singapore.

Following the successful renewal of the OPN membership of Rams Malaysia and the signing of the Malaysia OPN Agreement on 12 January 2021 to reflect our existing group structure, a new OPN master distribution agreement has been entered into between Oracle Malaysia and Rams Malaysia on 17 March 2021 ("**Malaysia MDA**"). The salient terms of the Malaysia MDA are as set out below:

(i) the Malaysia MDA is effective for 2 years from 17 March 2021;

(ii) all fees for the Oracle Products & Services which shall include any freight charges (as the case may be) sales, value-added customs, levies or other similar taxes imposed by applicable laws, payable to Oracle Malaysia is due within 30 days from the invoice date;

(iii) if a third party makes a claim against Rams Malaysia and/or its subsidiaries or an end user that any indemnified material, infringes their intellectual property rights, Oracle Malaysia at its sole cost and expense will defend Rams Malaysia and/or its subsidiaries and end user against the claim and indemnify Rams Malaysia and/or its subsidiaries and end user from damages, liabilities, cost and expenses awarded by the court to the third party claiming infringement or the settlement agreed to by Oracle Malaysia provided that the procedures and conditions for claims as set out in the Malaysia MDA are adhered to;

(iv) if Rams Malaysia and/or its subsidiaries membership in the OPN expires or is terminated, it will not be permitted to distribute programs, hardware, learning credits, and / or services until its membership is made current;

(v) if either Oracle Malaysia or Rams Malaysia and/or its subsidiaries breaches a material term or a distribution addendum and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate the Malaysia MDA;

(vi) if Oracle Malaysia ends the Malaysia MDA, Rams Malaysia and/or its subsidiaries must pay within 30 days from notification of the termination all amounts which have accrued prior to such end, as well as sums remaining unpaid for programs, hardware, learning credits, and / or services received under the Malaysia MDA and the applicable distribution agreement plus related taxes and expenses;

(vii) the Malaysia MDA is governed by the substantive and procedural laws of Malaysia and the parties agree to submit to the exclusive jurisdiction and venue in the courts in Malaysia in any dispute arising out of the Malaysia MDA; and

(viii) except for actions for non-payment or breach of Oracle Malaysia's proprietary rights, no action, regardless of form, arising out of or relating to the Malaysia MDA may be brought by either Oracle Malaysia or Rams Malaysia and / or the subsidiaries more than 2 years after the cause of action has accrued.

Notwithstanding the Malaysia MDA whereby Rams Indonesia is a subsidiary of Rams Malaysia, our Group is required to enrol Rams Indonesia into a separate MDA ("**Indonesia MDA**") on substantially the same terms and conditions as the Malaysia MDA due to the requirements imposed by the Government of Indonesia wherein contracts entered into with Indonesian corporations are to be entered into in the local language of Indonesia. We have requested with Oracle Indonesia to execute the Indonesia MDA and as at the LPD, our request is currently pending approval by Oracle Indonesia.

Save for the agreements disclosed in this Section 6.18, our Group's business or profitability is not materially dependent on any other commercial contracts, agreement and other arrangement.

(The rest of this page is intentionally left blank)

6.19 EMPLOYEES

As at the LPD, our Group has a total workforce of 113 employees, of which 47 are permanent employees and 66 are contract / temporary workers. Our local employees accounted for approximately 57.52% of the total workforce while the remaining 42.48% were foreign workers. All non-local employees in each of our offices have valid working permits issued and there has been no breach of any immigration laws by our Group.

The following depicts the number of our employees according to the business function / department and geographical location as at the LPD:

	Permanent employee		Contract / temporary employee		
Business function / department	**Local**	**Foreign [(1)]**	**Local**	**Foreign [(1)]**	**Total**
Directors	3	-	-	-	3
Key senior management	1	-	-	-	1
HR, finance and administration	8	4	2	1	15
Sales and marketing	2	1	6	14	23
Creative	1	-	2	1	4
R&D	6	-	11	1	18
Operation	11	10	7	15	43
Legal	-	-	1	1	2
Logistics	-	-	4	-	4
Total workforce	**32**	**15**	**33**	**33**	**113**

	Permanent employee		Contract / temporary employee		
Geographical location	**Local**	**Foreign [(1)]**	**Local**	**Foreign [(1)]**	**Total**
Malaysia	32	-	33	-	65
Singapore	-	4	-	3	7
Thailand	-	7	-	8	15
Indonesia	-	2	-	15	17
Vietnam	-	2	-	7	9
Total workforce	**32**	**15**	**33**	**33**	**113**

Note:

(1) Foreign employees include non-Malaysian employees in our headquarters in Malaysia and our subsidiaries in Singapore, Thailand, Indonesia and Vietnam.

As at the LPD, we have a total of 43 in-house consultants based in our offices in the respective countries, as set out in Section 6.5(ii) of this Prospectus. Of these 43 in-house consultants, 24 are permanent employees while the remaining 19 are contract / temporary employees.

None of our employees, whether permanent of contractual, belong to any labour union. During the Financial Years Under Review and up to the LPD, there were no industrial disputes pertaining to our employees.

6.20 APPROVALS, MAJOR LICENCES, PERMITS AND REGISTRATIONS OBTAINED

As at the LPD, we hold the following major licences, permits and registrations for our business operations:

Licence Holder	Issuer / Authority	Date of Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status of compliance
Ramssol	Sepang Municipal Council	1 January 2021	31 December 2021	Composite Licence [1] - Serial No.: 72909	Nil	Not applicable
Rams Malaysia	Government (represented by the Minister of Finance Malaysia and Minister of International Trade and Industry Malaysia)	10 November 2014	Not applicable.	MSC Malaysia Status Certificate Certificate no.: 3466	Rams Malaysia shall: (a) carry out the following MSC Malaysia Qualifying Activities: (i) Establish and operate a Shared Services / Outsourcing Center rendering IT Outsourcing (ITO) services in Application Development and Maintenance; and (ii) Provision of implementation, technical services and maintenance related to the above-mentioned services; (collectively, the "**Qualifying Activities**") (b) Locate the implementation and operation of the MSC Malaysia Qualifying Activities within 6 months from the date of the letter and thereafter continue to locate at all times in an office space of at least 1,200 square feet in: (i) Designated premises within MSC Malaysia Cybercities / Cybercentres, a list of which is available on the MSC Malaysia website as may be updated from time to time ("**Designated Premises**");	Complied

6. BUSINESS OVERVIEW *(CONT'D)*

Licence Holder	Issuer / Authority	Date of Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status of compliance
					(ii) Premises other than Designated Premises within MSC Malaysia Cybercities / Cybercentres located on land in respect of which there are no prohibitions restrictions on the use or enjoyment of the land or buildings thereon for commercial purposes ("**Other Commercial Premises**"). (c) Ensure that at all times at least 85% of the total number of employees excluding support staff of Rams Malaysia shall be "knowledge workers". Knowledge workers shall be recruited, employed and / or appointed solely for the purpose of undertaking the Qualifying Activities. The recruitment, employment and / or appointment of foreign knowledge workers (if any) shall be the sole responsibility of Rams Malaysia and MDEC shall not be held responsible for any liability arising from such recruitment, employment and / or appointment; (d) Ensure that any products produced pursuant to the Qualifying Activities are original and that no part or portion of such product is an infringement or violation of any intellectual property or any proprietary rights of any third party, or constitutes a misappropriation of know-how belonging to any third party;	

6. BUSINESS OVERVIEW *(CONT'D)*

Licence Holder	Issuer / Authority	Date of Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status of compliance
					(e) Inform MDEC of any change in the equity structure or shareholding structure of the MSC Malaysia Status Company, or such other changes that may affect the direction or operation of the MSC Malaysia Status Company. MDEC must be informed of any change before steps are taken to effect such change;	Complied. On 2 September 2020, Rams Malaysia has informed MDEC of the change in equity / shareholding structure arising from the Acquisition.
					(f) In the event that Rams Malaysia: (i) Fails to comply with the terms and conditions set out in this section; (ii) Fails to comply with the monitoring processes and procedures as described in this section and / or willingly refuses to provide such assistance as may be required by MDEC in its monitoring activities; (iii) Fails to or is unable to achieve or fulfil its objectives, projections or assurances as contained in its application and / or updated documents; or (iv) Does or permits anything to be done which in the sole opinion of MDEC tarnishes, harms and / or damages the image of MDEC or MSC and / or in any way adversely affects the reputation of MDEC or the MSC;	

6. BUSINESS OVERVIEW *(CONT'D)*

Licence Holder	Issuer / Authority	Date of Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status of compliance
					then MDEC shall in the first instance notify Rams Malaysia of such failure and / or non-compliance and afford an opportunity to Rams Malaysia to explain its position to MDEC and seek a waiver or otherwise come to a mutually acceptable compromise or resolution of the matters relating to such failure and / or non-compliance.	
Rams Malaysia	Sepang Municipal Council	1 January 2021	31 December 2021	Composite Licence [(1)] - Serial No.: 72911	Nil	Not applicable
Feets Malaysia	Sepang Municipal Council	1 January 2021	31 December 2021	Composite Licence [(1)] - Serial No.: 72910	Nil	Not applicable
Rams Vietnam	Department of Planning and Investment ("**DPI**") of Ho Chi Minh City	1st issuance on 25 April 2016 (4th amendment on 5 October 2020)	30 March 2023	Investment Registration Certificate Certificate No.: 7628872736	Rams Vietnam shall comply with investment and business conditions in accordance with Vietnamese laws and relevant treaties, and to comply with relevant laws such as regulations on environment, fire safety, labour safety and on reporting obligations	Complied
Rams Vietnam	DPI of Ho Chi Minh City	23 December 2019	Not applicable.	Enterprise Registration Certificate Certificate No.: 0312238022	Nil	Not applicable

6. BUSINESS OVERVIEW *(CONT'D)*

Licence Holder	Issuer / Authority	Date of Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status of compliance
Rams Indonesia	Ministry of Trade through the Online Single Submission (OSS) system	24 August 2020	Valid for as long as the business is undertaken	Trade Business Licence (Software Wholesale Trading Business Activity under KBLI 46512)	Nil	Complied
Feets Indonesia	Ministry of Industry through the Online Single Submission (OSS) system	18 March 2019	Valid for as long as the business is undertaken	Business Licence: Industrial Business Licence (Software Publishing Business Activity under KBLI 58200)	Nil	Complied
Feets Indonesia	Ministry of Trade through the Online Single Submission (OSS) system	1 July 2020	Valid for as long as the business is undertaken	Business Licence: Trade Business Licence (Software Wholesale Trading Business Activity under KBLI 46512)	Nil	Complied

Note:

(1) A composite licence is a combined licence issued by certain local councils in Malaysia that combines a business / office licence with a signage / advertising licence and/or a trade licence.

6.21 INTELLECTUAL PROPERY RIGHTS

6.21.1 Trademarks

As at the LPD, the trademarks of our Group are set out as below:

Trademark	Proprietor	Registration No.	Registration Date / Expiry Date	Country of Registration	Authority / Regulatory Guidelines	Class	Description	Status
	Feets	2018064646	26 July 2018 / 26 July 2028	Malaysia	MyIPO	Class 35: Presentation of goods on communication media, for retail purposes; advertising; distribution of samples; import-export agencies; marketing; publicity; demonstration of goods; business inquiries; business information; on-line advertising on a computer network; all included in Class 35.	Stylised word mark with Roman characters	Registered

6. BUSINESS OVERVIEW *(CONT'D)*

Trademark	Proprietor	Registration No.	Registration Date / Expiry Date	Country of Registration	Authority / Regulatory Guidelines	Class	Description	Status
feet's	Feets	2018064647	26 July 2018 / 26 July 2028	Malaysia	MyIPO	Class 42: Computer programming; computer software consultancy; computer software design; installation of computer software; maintenance for computer software; updating of computer software; computer system analysis; computer system design; consultancy in the design and development of computer hardware; creating and maintaining web sites for others; providing search engines for the internet; rental of webs servers; technical project studies; authenticating works of art; all included in Class 42.	Stylised word mark with Roman characters	Registered

6.21.2 Patents

As at the LPD, the patent application submitted by our Group is set out as below:

Title of Invention	Applicant	Application no.	Filing date	Country of Registration	Authority / Regulatory Guidelines	Status
Employee Engagement Platform	Feets Malaysia	PI2019006626	12 November 2019	Malaysia	MyIPO	Pending

(The rest of this page is intentionally left blank)

6. BUSINESS OVERVIEW *(CONT'D)*

6.22 MATERIAL PROPERTIES

6.22.1 Properties

As at the LPD, we own the following properties:

Registered owner / Beneficial Owner	Title Identification / Postal Address	Description / Existing Use	Date of Certificate of Completion and Compliance	Express Conditions	Floor Area	Tenure	Encumbrances	Audited NBV as at FYE 2020 (RM'000)
Rams Malaysia	Title: GRN 253662 / m1-H / 2 / 236, Lot 47592, Mukim Dengkil, Daerah Sepang, Negeri Selangor Postal address: No. 4809-1-31, Central Business District Perdana 2, Persiaran Flora, Cyber 2, 63000 Cyberjaya, Selangor Darul Ehsan	Description: 1st floor of a 5-storey shop-office building Existing use: Rented out to third parties	21 May 2012	This land shall be used for commercial buildings	185 square metres	Freehold	Charge created in favour of CIMB Bank Berhad vide Presentation No.: 30341 / 2015 on 27 August 2015	768

6. BUSINESS OVERVIEW *(CONT'D)*

Registered owner / Beneficial Owner	Title Identification / Postal Address	Description / Existing Use	Date of Certificate of Completion and Compliance	Express Conditions	Floor Area	Tenure	Encumbrances	Audited NBV as at FYE 2020 (RM'000)
Demi Murni Holdings Sdn Bhd / Rams Malaysia	Title: GRN 338521, Lot 23566, Mukim Dengkil, Daerah Sepang, Negeri Selangor Postal address: C22-2A, Cybersquare Soho @ Cyberjaya, Jalan Teknokrat 7, Cyber 5, 63000 Cyberjaya, Selangor	Description: An apartment with 1 separate bedroom, 1 bathroom and a living room Existing use: Lodging for overseas / visiting staff	31 May 2016	This land shall be used for commercial buildings [(1)]	41.81 square metres	Freehold	(a) Part of the land is leased to Tenaga Nasional Berhad for a tenure of 30 years commencing on 24 October 2016 and expiring on 23 October 2046 vide presentation number 42393 / 2017 dated 26 May 2017; (b) Part of the land is leased to Tenaga Nasional Berhad for a tenure of 30 years commencing on 24 October 2016 and expiring on 23 October 2046 vide presentation number 42394 / 2017 dated 26 May 2017; and (c) Part of the land is leased to Tenaga Nasional Berhad for a tenure of 30 years commencing on 24 October 2016 and expiring on 23 October 2046 vide presentation number 42395 / 2017 dated 26 May 2017.	211

***Note**: This SOHO in Cybersquare is a commercial apartment complex developed by the current registered owner of this property.*

6.22.2 Rented Properties

As at the LPD, we rented the following properties:

Landlord	Tenant	Postal Address	Description / Existing Use	Date of CF / CCC or equivalent	Floor Area	Tenure	Rental Per Annum (RM)
Tan Chee Seng	Rams Malaysia	B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	One of the units on the third floor of a four-storey semi-detached shop office / Corporate office which is currently used as Ramssol's headquarters	16 November 2017	2,231 square feet	12 months Commencing from 1 March 2021 to 28 February 2022	(1) 108,000.00
Lee Miew Lan	Rams Malaysia	B-04-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	One of the units on the fourth floor of a 4-storey semi-detached shop office / Corporate office which is currently used as Ramssol's headquarters	16 November 2017	2,197 square feet	12 months Commencing from 1 March 2021 to 28 February 2022	(1) 84,000.00
Rams Malaysia (as tenant)	Feets Malaysia (as sub-tenant)	B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	One of the units on the third floor of a four-storey semi-detached shop office / Corporate office which is currently used as Ramssol's headquarters	16 November 2017	1,115 square feet	12 months Commencing from 1 March 2021 to 28 February 2022	(2) 54,000.00
WeWork	Rams Singapore	15 Beach Road, #02-01 Beach Centre, Singapore 189677	Portion of a building in which WeWork maintains a shared office / working space and offers individual	Not applicable.	Not applicable (3)	24 months Commencing from 1 September	SGD24,139 (equivalent to RM75,142.29 (5))

6. BUSINESS OVERVIEW *(CONT'D)*

Landlord	Tenant	Postal Address	Description / Existing Use	Date of CF / CCC or equivalent	Floor Area	Tenure	Rental Per Annum (RM)
			office spaces, workstations, other work spaces and other services, the amount of which shall vary according to WeWork and Rams Singapore's mutual agreement.			2019 to 31 August 2021	
WeWork	Rams Thailand	No. 173, Asia Centre, 27th Floor, South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok, 10120	Portion of a building in which WeWork maintains a shared office / working space and offers individual office spaces, workstations, other work spaces and other services, the amount of which shall vary according to WeWork and Rams Thailand's mutual agreement.	Not applicable	Not applicable [(3)]	12 months Commencing from 1 January 2021 to 31 December 2021	THB336,180 (equivalent to RM44,450.39 [(5)])
NTA Construction Investment Company Limited	Rams Vietnam	No. 469, Dien Bien Phu Street, Ward 3, District 3, Ho Chi Minh City, Vietnam	Portion of a building in which NTA Construction Investment Company Limited maintains a shared office / working space and offers individual office spaces, workstations, other work spaces and other services.	Not applicable	Not applicable [(3)]	15 months Commencing from 1 June 2020 to 31 August 2021	VND6,828,000 (equivalent to RM1,229.04 [(5)])

6. BUSINESS OVERVIEW *(CONT'D)*

Landlord	Tenant	Postal Address	Description / Existing Use	Date of CF / CCC or equivalent	Floor Area	Tenure	Rental Per Annum (RM)
Eddy Darmawan	Rams Indonesia	SOHO Podomoro City Unit 3317, Jl. S. Parman kav. 28, Jakarta Barat	Small Office / Home Office	2 July 2018	102.6 square metres	12 months Commencing from 1 March 2021 to 28 February 2022	IDR102,227,360 (equivalent to RM29,543.71 [(5)])
PT. Teratai Dharma Nusantara	Feets Indonesia	Not applicable	Virtual Office	Not applicable	Not applicable [(4)]	12 months Commencing from 16 April 2021 to 15 April 2022	IDR3,168,000 (equivalent to RM915.55 [(5)])

Notes:

(1) The Landlords have granted under the terms of the tenancy agreement to Rams Malaysia which expired on 28 February 2021 a free-rental period of 6 months from 1 September 2019 to 31 March 2020 and the rent-free period was subsequently extended to 30 September 2020 due to the COVID-19 pandemic. Following the expiry of the tenancy agreement, the respective Landlords entered into a new tenancy agreement with Rams Malaysia on 1 March 2021 on the same terms as the expired tenancy agreement. The salient terms of the new tenancy agreement are as follows:

(a) The Landlord may terminate tenancy agreement in the event that the Tenant defaults in the payment of rental, or defaults in the performance of any of the other covenants or conditions of the tenancy agreement where the Landlord has in his discretion given the Tenant notice of such default or breach which remains uncured by the Tenant within 14 calendar days of the giving of such notice (or where the Tenant does not commence such curing within 3 calendar days of the notice where the breach is uncurable within 14 days);

(b) If the property or any part of it shall at any time during the tenancy created be destroyed or damaged by fire or so as to be unfit for occupation and use by the Tenant and the Tenant shall be at liberty to give the Landlord 1 month's notice in writing determining the tenancy and this tenancy shall be terminated and all rents paid by the Tenant in advance together with the deposit shall be refunded to the Tenant;

(c) The Landlord or Tenant may terminate the tenancy agreement prematurely after 1 year of the period of tenancy by giving 3 months' prior written notice to the other; and

(d) The Landlord or Tenant may terminate the tenancy agreement prematurely before 1 year of the period of tenancy by giving 3 months' prior written notice to the other and shall pay the other a sum equals to the rental due to by the Tenant for the remaining unexpired period of 3 months as compensation to the other.

6. BUSINESS OVERVIEW *(CONT'D)*

Based on searches in a few online property listing sites, the monthly market rental rate for comparable properties in Cyberjaya ranges from RM1.62 to RM4.16 psf. As such, the monthly rental rate paid by Rams Malaysia to Tan Chee Seng and Lee Miew Lan of RM4.03 psf and RM3.19 psf respectively, is considered at arms' length as the rates are within the monthly market rental rate. Further, the monthly rental received by Tan Chee Seng is higher than Lee Miew Lan because the location of Tan Chee Seng's property provides better visibility and accessibility, thus giving higher value to the property. In view that this is a related party transaction, please refer to Section 9.1.1 of this Prospectus for further information.

(2) This sub-tenancy is for part of the property leased by Rams Malaysia from Tan Chee Seng located at B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor. The salient terms of the sub-tenancy agreement are as follows:

(a) Rams Malaysia may terminate the sub-tenancy agreement in the event Feets Malaysia defaults in the payment of rental, or defaults in the performance of any of the other covenants or conditions of the sub-tenancy agreement where Rams Malaysia has in its discretion given Feets Malaysia notice of such default or breach which remains uncured by Feets Malaysia within 14 calendar days of the giving of such notice or where Feets Malaysia goes into liquidation whether compulsory or otherwise;

(b) If the property or any part of it shall at any time during the tenancy created be destroyed or damaged by fire or so as to be unfit for occupation and use by Feets Malaysia and Feets Malaysia shall be at liberty to give Rams Malaysia 1 month's notice in writing determining the sub-tenancy and this sub-tenancy shall be terminated and all rents paid by Feets Malaysia in advance together with the deposit shall be refunded to Feets Malaysia;

(c) Rams Malaysia or Feets Malaysia may terminate the sub-tenancy agreement prematurely after 1 year of the period of sub-tenancy by giving 3 months' prior written notice to the other;

(d) Rams Malaysia or Feets Malaysia may terminate the sub-tenancy agreement prematurely before 1 year of the period of sub-tenancy by giving 3 months' prior written notice to the other and shall pay the other a sum equals to the rental due to by Feets Malaysia for the remaining unexpired period of 3 months as compensation to the other.

(3) The Landlord is an office-leasing company that provides for shared workspaces which are flexible with shared office facilities and amenities (e.g. Internet, printers, copiers, scanners, phone booths, etc.) as may be required for the conduct of business for the utilisation of businesses and / or individuals who may not have a central office. As such, the floor area of the rented premise cannot be ascertained in view of the nature of the shared workspace.

(4) The Landlord is a company that provides for virtual offices that enables business to operate without occupying any space or desks and for the business owners and / or employees to work remotely with the provision of a range of functions (e.g. designated business address and number, mail receipt and forwarding, receipt of calls by live receptionist and call forwarding, etc.) as may be required for the conduct of business through the Internet. As such, the floor area of the rented premise cannot be ascertained in view of the nature of the virtual office.

(5) Based on the published relevant foreign exchange middle rate by Bank Negara Malaysia prevailing at 5:00 p.m. as at the LPD.

6.22.3 Material plans to construct, expand or improve facilities

As at the LPD, save as disclosed in Sections 3.8 and 6.6 of this Prospectus, we have no immediate plans to construct, expand or improve any of our existing facilities.

6.23 GOVERNING LAWS AND REGULATIONS INCLUDING ENVIRONMENTAL CONCERNS

6.23.1 Governing Laws and Regulations

Our Group's business operations are subject to the following laws and regulations:

(a) Malaysia

(i) Local Government Act 1976 ("**LGA 1976**"), whereby the relevant local authorities may exercise and perform within such area all or any powers and duties conferred on them under the LGA 1976 or by any by-laws, rules or regulations passed pursuant to the LGA 1976. These powers include the issuance of licences and the imposition of any conditions and restrictions on such licences as the local authorities see fit. We require a business licence and signage licence to carry out our operations at our head office;

(ii) Personal Data Protection Act 2010 ("**PDPA**"), which governs the processing of the personal data of the employees of Rams Malaysia.

(b) Singapore

(i) Singapore Personal Data Protection Act 2010 ("**SPDPA**"), which governs the processing of the personal data of the employees of Rams Singapore.

(c) Thailand

(i) Civil and Commercial Code of Thailand, which regulates the laws in Thailand in relation to corporate and commercial matters; and

(ii) Foreign Business Act, B.E. 2542, which regulates the foreign ownership of the shares of private limited companies in Thailand.

(d) Indonesia

(i) Law No. 24 of 2009 on National Flag, Language, Emblem and Anthem ("**Indonesia Language Law**"), which establishes the use of Bahasa Indonesia as the national language of Indonesia. The Indonesia Language Law requires that all contracts and/or agreements entered into with an Indonesian citizen or entity is required to be entered into in Bahasa Indonesia. The same contract/agreement may also be written in English or other national language;

(ii) Presidential Regulation No. 63 of 2019 on Use of Indonesian Language, which governs the use of Bahasa Indonesia as the national language of Indonesia in commercial transactions.

(e) Vietnam

(i) Law on Enterprise 2014, which sets out the corporate laws regulating the establishment, operation and governance of corporate entities under Vietnamese corporate law.

As at the LPD, there is no breach of any property or land use conditions and / or non-compliance with any relevant laws, regulations, rules or requirements governing the conduct of our Group's business (including land rules and building regulations).

6.23.2 Environmental Concerns

As at the LPD, there are no environmental issues which may materially affect our Group's business or operations and usage of properties owned and rented by our Group as set out in Section 6.22 of this Prospectus.

(The rest of this page is intentionally left blank)

SMITH ZANDER INTERNATIONAL SDN BHD 201301028298 (1058128-V)
15-01, Level 15, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia
T : +603 2732 7537 W : www.smith-zander.com

SMITH ZANDER

Date: 31 MAY 2021

The Board of Directors
Ramssol Group Berhad
B-04-05, Tamarind Square,
Persiaran Multimedia, Cyber 10,
63000 Cyberjaya,
Selangor.

Dear Sirs/Madams,

Independent Market Research Report on the Human Capital Management ("HCM") Solutions Industry, Information Technology ("IT") Staff Augmentation Industry, and Employee Engagement Platforms and Collaboration Platforms Market in Malaysia, Singapore, Thailand, Vietnam, Indonesia and the Philippines ("IMR Report")

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD ("SMITH ZANDER") for inclusion in the Prospectus in conjunction with the listing of Ramssol Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industries and market(s) in which Ramssol Group Berhad and its subsidiaries ("Ramssol Group") operate and to offer a clear understanding of the industry and market dynamics. Ramssol Group operates in Malaysia, Singapore, Thailand, Vietnam and Indonesia, and intends to expand into the Philippines. Hence, only Malaysia, Singapore, Thailand, Vietnam, Indonesia and the Philippines, collectively referred to as the "**countries involved**", will be covered in the context of this IMR Report. The scope of work for this IMR Report will address the following areas:

(i) The HCM solutions industry in the countries involved;

(ii) The IT staff augmentation industry in the countries involved; and

(iii) The employee engagement platforms and collaboration platforms market in the countries involved.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies mentioned in this report.

For and on behalf of SMITH ZANDER:

DENNIS TAN
MANAGING PARTNER

COPYRIGHT NOTICE

The research for this IMR Report was completed on 28 May 2021.

For further information, please contact:

SMITH ZANDER INTERNATIONAL SDN BHD
15-01, Level 15, Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
Malaysia
Tel: + 603 2732 7537

www.smith-zander.com

About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 23 years of experience in market research and strategy consulting, including over 18 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

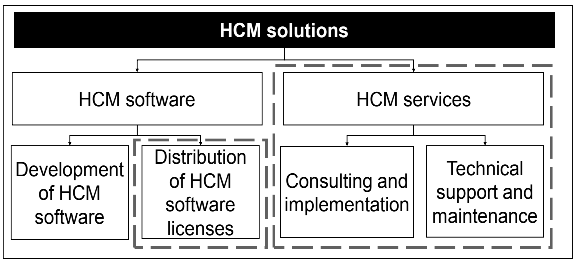
1 HCM SOLUTIONS INDUSTRY

1.1 INTRODUCTION

The provision of HCM solutions comprises a combination of HCM software and HCM services, that is catered towards human resource ("HR") or workforce management to enhance HR functions in organisations by automating and streamlining HR processes, policies and practices, as well as integrating and centralising HR data processing for effective monitoring and business analysis. The concept of workforce management and simplification of administrative processes through the use of HCM solutions can also be applied to educational institutions for the purpose of student administration management, examination management, timetable and curriculum management, and academic advisement, amongst others.

HCM software is a collection of IT applications to facilitate the automation and streamlining of HR functions and processes. It comprises various modules in multiple aspects of HR management such as payroll processing, talent recruiting and onboarding, employee performance review, and attendance and leave management. HCM software is developed by HCM software vendors and distributed in the form of user licenses.

Segmentation of the HCM solutions industry



Note:

- *denotes the segments in which Ramssol Group is involved.*

Source: SMITH ZANDER analysis

As each organisation has its own HR requirements, objectives, policies and procedures, the modules in the HCM software can be incorporated with predefined HR policies set by organisations to support all aspects of HR management from hiring to retirement. Therefore, HCM software is an important tool to many organisations, especially to large organisations, as it has robust functions that enable organisations with large workforce to enhance operational efficiency and to streamline their HR functions across departments, and across geographical locations regionally and/or globally.

Technological evolution has influenced the development of HCM software from on-premise installation to cloud-based implementation where data transmission, management, storage and maintenance are administered off-site by third-party providers. Cloud-based HCM software is becoming a popular choice as it provides organisations the convenience of implementation without the commitment to maintain in-house IT teams for software and hardware maintenance. The adoption of HCM solutions becomes more cost friendly with cloud-based software as organisations are charged by rate of usage or number of users, and no large upfront investment is required to purchase servers and other related hardware. Further, cloud-based HCM software can cater to the on-demand increase in the number of users and data storage space required as organisations grow.

In order to incorporate the predefined HR policies into the HCM software, in-depth technical knowledge in HR and IT are required to customise, implement and maintain HCM software that is personalised to each organisation. Hence, **HCM services** such as consulting, implementation, technical support and maintenance of HCM software are essential to facilitate the adoption of HCM solutions by organisations:

i. **Consulting and implementation** – Consulting involves assessing, analysing, restructuring and reengineering an organisation's HR policies and procedures, in accordance to their HR management objectives and budget. Consulting is an essential precedent in preparing for implementation as the programming, configuration and deployment requires high level of customisation to integrate the HCM software with the organisation's HR workflows and processes as well as existing IT systems, and to achieve the organisation's objectives.

ii. **Technical support and maintenance** – Upon implementation, technical support and maintenance services are rendered to assist organisations in solving technical issues and to provide regular maintenance in updating the HCM software with the latest HR policies and procedures.

HCM services are provided by HCM software vendors or HCM solution providers. HCM software vendors may leverage on their expertise in developing HCM software to extend their offerings from distributing HCM software licenses to including the provision of HCM services to organisations. On the other hand, while HCM solution providers do not develop HCM software, they leverage on their expertise and understanding of the HCM software and HR expertise to provide HCM services to organisations. Hence, HCM solution providers typically collaborate with HCM software vendors to distribute HCM software licenses as part of their HCM solution offering.

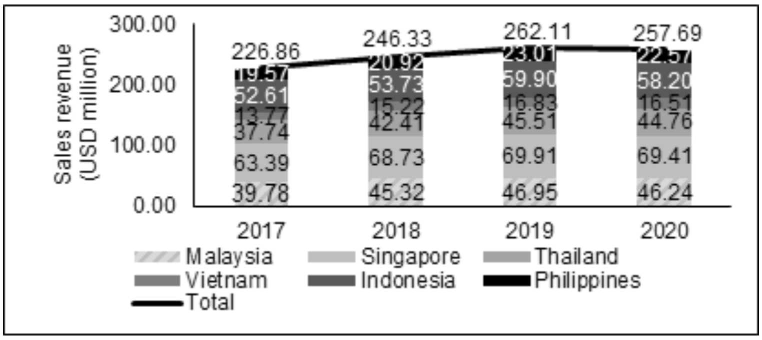
[The rest of this page is intentionally left blank]

1.2 INDUSTRY PERFORMANCE AND SIZE

The HCM solutions industry is measured in terms of sales revenue of HCM software licenses, consulting and implementation services, and technical support and maintenance services. The size of the HCM solutions industry in the countries involved grew from USD226.86 million (RM975.68 million)[1] in 2017 to USD257.69 million (RM1.08 billion)[2] in 2020 at a compound annual growth rate ("CAGR") of 4.34%.

In view of the global outbreak of the COVID-19 virus since early 2020, the HCM solutions industry in the countries involved experienced a slight slowdown in 2020. Please refer to **Industry Drivers, Risks and Challenges** below for further information on the impact of COVID-19 pandemic on the HCM solutions industry.

HCM solutions industry, 2017-2020



Notes:

- *The industry size is computed based on sales revenue from the provision of HCM solutions using Oracle Corporation ("Oracle"), SAP SE ("SAP") and Workday, Inc. ("Workday")'s software.*
- *HCM solutions catering to large organisations, namely Oracle, SAP and Workday's software are included in the computation of the industry size for HCM solutions in the countries involved, on the basis that they are comparable software due to the cost involved.*

Sources: QY Research, SMITH ZANDER analysis

1.3 INDUSTRY DRIVERS, RISKS AND CHALLENGES

Key Industry Drivers

► **Digitalisation of HR functions for greater operational and cross-departmental efficiency as well as increased productivity is expected to drive the demand for HCM solutions**

The size of an organisation's workforce grows in tandem with business expansion as labour is required to support the growing business operations. As organisations continue to grow, they may face increasing challenges in managing their HR functions which could range from recruitment and onboarding processes to employee compensations and benefits. The need to enhance HR functions, especially for large organisations, through the automation of tasks is critical to reduce manual labour, minimise human errors and increase accuracy, in order to achieve greater operational efficiency and improved productivity of workforce across multiple departments and operations in various locations. Hence, this is expected to drive the demand for HCM solutions.

Further, with the increasing reliance on IT technologies in finance and operations, organisations may digitalise and update their HR systems to streamline and integrate all business functions and IT systems for cross-departmental efficiency. The adoption of HCM solutions allows HR records (e.g. attendance and leave, remuneration and benefits, and training and development), employees' work performance (e.g. time management, sales performance and/or service quality, and personal development) and finance records (e.g. salary and claims payment) to be consolidated into one report for analysis and monitoring. This simplifies reporting processes, improves the accuracy of information sharing between departments and enhances collaboration between departments remotely. Remote collaboration has become increasingly critical as many organisations adopt work from home arrangements since the outbreak of COVID-19 pandemic. As such, the digitalisation of HR functions through the adoption of HCM solutions allows employers to gain insights and overview of employees' value to the organisation in a holistic manner at any point in time. This enables employers to align their talent strategies with overall business strategies to ensure that the growth of the company and their talents are sustainable.

► **HCM solutions enable the usage of data analytics to improve an organisation's workforce performance and employee engagement as well as their ability to retain and attract new talents**

Some HCM solutions are equipped with data analytics capability which enable organisations to gain insights into workforce trends such as employee performance and engagement, employee needs, and attrition and retention rates. Data analytics assist HR managers in identifying workforce issues within the organisation and make data-driven decisions to take proactive measures to improve the talent strategies of the organisation as well as to reduce workforce stress and promote employee well-being. This allows the organisation to maintain strong employee engagement and to ensure their employees are provided with appropriate support, training and remuneration which in turn helps to improve retention rates.

Employee needs have been evolving over the years with lifestyle changes and a younger workforce seeking better career development and placing more emphasis on work-life balance, family-friendly working arrangements, and health and fitness related benefits. HCM solutions are able to incorporate, collect and analyse modern key

---

[1] *Exchange rate from USD to RM in 2017 was converted based on average annual exchange rates in 2017 extracted from published information from Bank Negara Malaysia at USD1 = RM4.3008.*
[2] *Exchange rate from USD to RM in 2020 was converted based on average annual exchange rates in 2020 extracted from published information from Bank Negara Malaysia at USD1 = RM4.2016.*

performance indicators such as employees' health, fitness, happiness and levels of engagement, enabling organisations to keep abreast with the evolving needs of their workforce and to position themselves as a desired workplace to attract the best talent in the market. Organisations are also able to improve retention rates and to maximise the return on their employees through enhanced efficiency and productivity, which are crucial in driving business growth.

For more advanced data analytics, HCM solutions can be incorporated with predictive analytics or artificial intelligence ("AI") modules. Predictive analytics uses historical employee data to provide predictions and insights to an organisation's workforce such as workforce performance, retention and attrition rates as well as any potential shortages of resources. This allows employers to gain insights to possible future trends of their HR conditions, thus allowing employers to plan ahead for their talent development and management strategies to ensure their HR can support the financial and operational growth of the organisation. AI in HCM solutions contains machine learning capabilities which help organisations to enhance, automate and speed up their HR processes. For instance, AI can be applied in an organisation's talent recruitment process whereby it helps to create a ranked list of potential candidates whose skills best align with the organisation's job specifications. This eases the filtering of candidates, allowing the HR personnel to focus on assessing and interviewing candidates, thus delivering more value to the organisation. As organisations strive to improve workforce performance, employee engagement and their ability to retain and attract new talents, robust data analytics in HCM solutions is expected to drive the demand for HCM solutions.

Key Industry Risks and Challenges

► Reliance on HCM software vendors for HCM solution providers to provide HCM solutions

HCM software is a fundamental component in the provision of HCM solutions as it is the IT application that performs the required automation and streamlining of HR functions. As HCM solution providers do not develop and own the HCM software, they rely on HCM software vendors to distribute the HCM software licenses as part of their offerings. Hence, if there are any changes in the business direction of the software vendors that result in the ceasing of the HCM solution providers' rights to distribute HCM software licenses, HCM solution providers will not be able to secure new projects using the particular HCM software or the delivery of their ongoing projects might be affected. Nevertheless, such incidences can be mitigated by obtaining licensing rights from other HCM software vendors to continue providing HCM solutions.

However, as HCM software developed by different software vendors have its unique features and functionalities, software vendors will only allow their trained and authorised HCM solution providers to distribute their HCM software. HCM solution providers who wish to offer multiple selections/brands of HCM software as part of their HCM solutions are required to be trained and certified by the different software vendors. As such, HCM solution providers generally offer a limited selection of HCM software but possess strong expertise in the HCM software they carry and focus on working closely with the software vendors.

Further, HCM solution providers also rely on software vendors to continuously upgrade and maintain the HCM software to remain competitive in the market. If a software vendor is unable to continuously invest in new technologies and create new innovation in enhancing its HCM software, the HCM software will lose its attractiveness and subsequently affect the competitiveness of the HCM solution providers who carry that particular HCM software in the market.

► High cost of investment is a challenge for some organisations to adopt HCM solutions

The adoption of HCM solutions requires high cost of investment to purchase user licences based on the size of an organisation's workforce, and to engage consulting and implementation services for the HCM software. Further, user licenses have to be renewed on a yearly basis while the technical support and maintenance of HCM software is a continuous service required upon the implementation of HCM solutions, thus increasing the cost of investment for HCM solutions. The functions and modules required in the HCM software determine the complexity of the HCM solutions, and the cost of the HCM solutions also increases with the number of functions and modules. Hence, HCM solutions are typically adopted by large organisations as they have a large workforce which require the robust functionality of HCM solutions to manage their HR functions.

► Exposure to sudden crises, such as the COVID-19 pandemic, may adversely affect organisations' financial positions and lead to temporary slowdown in demand for HCM solutions

Unexpected crises such as political crisis, natural disasters and disease outbreaks may cause temporary disruptions to business operations. Due to the COVID-19 pandemic, lockdown measures such as movement restrictions imposed in the countries involved to curb the spread of the virus have resulted in a slowdown in economic activities, leading to potential adverse economic conditions. The economic impact of the COVID-19 pandemic may adversely affect the financial positions of many organisations which may result in tighter budgets. Organisations may therefore be more cautious in their spending moving forward and prioritise resources in recovering their sales performance and financial position after the crisis ends. This may temporarily affect the demand for HCM solutions in view of its high cost of investment and may consequently cause a slowdown in the demand for HCM solutions. With the roll out of vaccinations, the impact of the COVID-19 pandemic is expected to ease gradually and the demand for HCM solutions is expected to improve as economic activities resume over time to pre-COVID-19 levels.

1.4 COMPETITIVE LANDSCAPE

Competitive Overview

This section will focus on the HCM solutions industry in the countries involved as Ramssol Group is principally involved in the provision of HCM and student management solutions comprising consulting and implementation, sale of software licenses, and technical support and maintenance in Malaysia, Singapore, Thailand, Vietnam and Indonesia, and intends to expand into the Philippines.

In the HCM solutions industry, Oracle, SAP and Workday are HCM software that are deemed as the closest comparable HCM software, in terms of cost and functionality. The HCM software vendors for Oracle, SAP and Workday, who may also be involved in the provision of HCM solutions, generally work with their locally appointed HCM solution providers such as Ramssol Group, to deliver HCM solutions instead of directly competing with them. This is because HCM solution providers have the required local HR knowledge, specialised IT expertise and dedicated local team on-site for the delivery of HCM solutions. For example, HCM software vendors often participate in project tenders with their HCM solution providers. In such cases, the HCM software vendors will supply HCM software licenses to the customers while the HCM services will be delivered by the HCM solution providers with local presence.

HCM solution providers in the countries involved comprise local and foreign companies. Foreign industry players consist of regional and/or multinational companies that set up locally established entities in the countries involved to support their sales and marketing activities as well as the provision of HCM solutions to customers in the countries involved. There are also foreign industry players who do not have locally established entities and/or local presence, who deliver the required services at customers' sites in the countries involved by deploying IT personnel from their base country.

Key Industry Players

The basis for selection of the key industry players in the HCM solutions industry in the countries involved is as follows:

- companies who are involved in the provision of HCM solutions, comprising consulting, implementation, and/or technical support and maintenance services for HCM software. These players do not develop HCM software but may be involved directly in the sale of software licenses to their customers through distribution rights granted by the HCM software vendors, or they may partner with their HCM software vendors where the vendors sell the software licenses to customers;
- companies who offer comparable HCM software brands that caters primarily to large organisations, namely Oracle, SAP and Workday. These industry players may also offer HCM software from other brands; and
- companies with presence in Malaysia, Singapore, Thailand, Vietnam, Indonesia and/or Philippines for the provision of HCM solutions.

The list of key industry players in the HCM solutions industry in the countries involved is as follows:

Company name [(a)]	Partnering HCM software vendors	Other business activities[(b)]	Public listed	Principal markets
Accenture PLC*	Oracle, SAP and Workday	Provision of strategy services, management and technology consulting services and business process services.	Yes	Global
Capgemini SE*	Oracle and SAP	Provision of consulting, digital transformation, technology and engineering services.	Yes	Global
Deloitte Touche Tohmatsu Limited*	Oracle, SAP and Workday	Provision of audit and assurance, consulting, financial advisory, legal and risk advisory services.	No	Global
EPI-USE Systems Limited	SAP	Provision of other SAP solutions, cloud services and other IT services such as business intelligence and custom software development.	No	Global
Ernst & Young Global Limited	SAP	Provision of advisory, assurance, tax and transaction advisory services.	No	Global
Evolutionary Systems Pvt. Ltd. (a subsidiary of Mastek Limited)*	Oracle	Provision of other Oracle solutions.	No[(c)]	Global
HCL Technologies Limited*	Oracle and SAP	Provision of IT services and products such as applications, infrastructure, engineering and digital process operations.	Yes	Global
Infosys Limited*	Oracle and SAP	Provision of digital and consulting services.	Yes	Global
International Business Machines Corporation*	Oracle, SAP and Workday	Provision of technology and IT solutions for business needs.	Yes	Global

Company name [(a)]	Partnering HCM software vendors	Other business activities[(b)]	Public listed	Principal markets
KPMG International Limited*	Oracle, SAP and Workday	Provision of audit, tax and advisory services.	No	Global
NTT DATA Business Solutions Malaysia Sdn Bhd/ NTT DATA Business Solutions Singapore Pte Ltd (a subsidiary of NTT DATA Corporation)	SAP	Provision of other SAP solutions.	No[(d)]	Malaysia/ Singapore[(e)]
PricewaterhouseCoopers International Limited*	Oracle, SAP and Workday	Provision of assurance, consulting, risk assurance and tax solutions and services.	No	Global
Ramssol Group*	Oracle	Provision of IT staff augmentation, employee engagement mobile application, collaboration platform and IT-related training.	-	Malaysia, Singapore, Thailand, Vietnam and Indonesia
Rolling Arrays Consulting Pte. Ltd.	SAP	Provision of other HR services such as HR business process outsourcing, HR change adoption and data migration.	No	Asia Pacific and Middle East regions
Rizing LLC	SAP	Provision of other SAP solutions.	No	Global
Tech Mahindra Limited*	Oracle and SAP	Provision of IT services such as infrastructure and cloud services, data analytics, business process services, network services and cyber security.	Yes	Global
Wipro Limited*	Oracle and SAP	Provision of data, analytics and AI, applications services, consulting, infrastructure services as well as digital operations and platforms.	Yes	Global
4i Apps Solutions Private Limited*	Oracle	Provision of cloud applications consulting and services.	No	Global

Notes:

- *This list is not exhaustive.*
- ** Oracle PartnerNetwork ("OPN") member.*

(a) Foreign established companies or groups may provide HCM solutions to organisations in the countries involved directly through their parent company and/or through locally established entities in the countries involved. As information on whether the HCM solutions is provided by the parent company or through their locally established entities is not publicly available, SMITH ZANDER is unable to conclusively identify the specific entity(ies) within the company or group that are involved in the provision of HCM solutions in the countries involved. Thus, in this IMR Report, the parent companies are selected as the key HCM solutions industry players in the countries involved.

(b) Premised on (a), the financial information of the specific entity(ies) within the company or group that are involved in the provision of HCM solutions in the countries involved cannot be determined. Providing financial information of the parent companies is deemed to be not comparable as the parent companies may be involved in other business activities besides the provision of HCM solutions, and may have global or other regional business outside the countries involved.

(c) The parent company, Mastek Limited, is a public listed company.

(d) The parent company, NTT Data Corporation, is a public listed company.

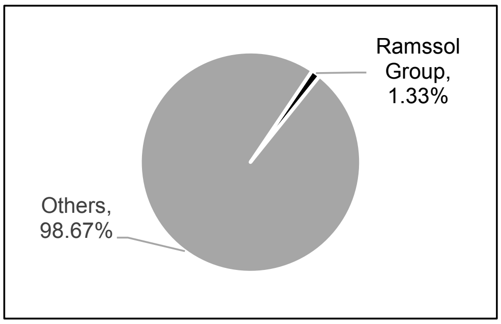
(e) NTT Data Corporation's principal markets are in Americas, Asia Pacific, Europe and Middle East regions.

Sources: Ramssol Group, various companies' websites, SMITH ZANDER analysis

Market Share

In 2020, the HCM solutions industry size in the countries involved, comprising provision of HCM solutions using software from Oracle, SAP and Workday, measured in terms of sales revenue of HCM software licenses, consulting and implementation services, as well as technical support and maintenance services, was recorded at USD257.69 million (RM1.08 billion).

For the FYE 2020, the segmental revenue of Ramssol Group derived from the provision of HCM and student management solutions using Oracle software was recorded at RM14.36 million and thereby, Ramssol Group captured a market share of 1.33% in the HCM solutions industry in the countries involved comprising provision of HCM solutions using software from Oracle, SAP and Workday.



Sources: Ramssol Group, QY Research, SMITH ZANDER analysis

2 THE IT STAFF AUGMENTATION INDUSTRY

2.1 INTRODUCTION

IT staff augmentation is a type of outsourcing engagement service rendered by IT solution and service providers to organisations who want to hire an IT personnel or a team of IT personnel with specific IT skillsets for a fixed contractual period for predetermined assigned projects or to meet specific business needs. IT solution and service providers have internal talent databases, industry networks, technical IT knowledge, IT recruitment market knowledge and dedicated resources to handle the tedious and time-consuming recruitment processes such as reviewing applications, conduct pre-employment screenings, and assess and shortlist candidates, on behalf of their customers. Suitable talents that match the customers' requirements will be hired by the IT solution and service providers and outsourced to their customers for the contract period. The job responsibilities, performance and management of these outsourced IT personnel are solely handled by the customers.

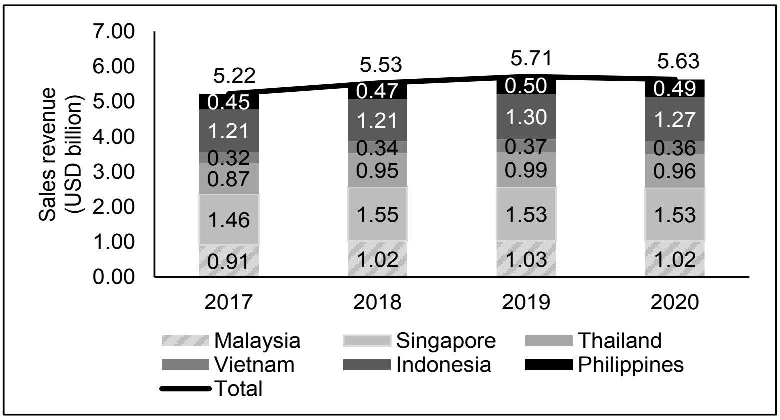
Organisations who engage IT staff augmentation services ultimately aim to simplify and speed up their project staffing process and increase the rate of successful placements with the right IT skillsets in order to commence and complete their projects on time. IT staff augmentation is a flexible arrangement for organisations when an individual or a team of temporary skilled expertise is required to complete an ad-hoc project without having to maintain permanent headcount after the completion of the project, and to have full control of the management of the temporary personnel throughout the contract period.

2.2 INDUSTRY PERFORMANCE AND SIZE

The size of the IT staff augmentation industry in the countries involved, measured in terms of sales revenue, grew from USD5.22 billion (RM22.45 billion) in 2017 to USD5.63 billion (RM23.66 billion) in 2020 at a CAGR of 2.55%.

In view of the outbreak of the COVID-19 virus since early 2020, the IT staff augmentation industry in the countries involved experienced a slight slowdown in 2020 due to a decrease in demand for IT staff augmentation services. Please refer to **Chapter 2.3 Industry Drivers, Risks and Challenges** for further information on the impact of the COVID-19 pandemic on the IT staff augmentation industry.

IT staff augmentation industry, 2017-2020



Note:

- *Figures may not add up due to rounding.*

Sources: QY Research, SMITH ZANDER analysis

2.3 INDUSTRY DRIVERS, RISKS AND CHALLENGES

► **Digital transformations in businesses lead to increased demand for ad-hoc IT personnel with specialised skillsets which drive the demand for IT staff augmentation services**

As organisations leverage on technology to enhance business and operational processes, the demand for IT personnel increases to execute, manage and maintain their IT systems. However, many organisations may not have in-house IT teams or the required IT personnel with the specialised skillsets to support all ad-hoc IT projects. Such situation drives the demand for IT staff augmentation services which allow organisations to have access to dedicated skilled IT personnel on project basis and reduces the need to maintain permanent headcount after the completion of the IT projects. Organisations can leverage on the IT solution and service providers' technical IT knowledge and IT recruitment expertise to ensure the best talent with the right skillsets and experience are hired to meet their project requirements. This allows organisations to minimise the impact of mismatched hires that may cause potential disruptions to the project, as well as be able to recruit timely. Since the outbreak of the COVID-19 pandemic, many businesses have been forced to accelerate their digital transformation to ensure the continuity of their operations and/or to venture into e-commerce. Organisations which do not have in-house expertise may leverage on IT staff augmentation services to recruit experienced IT personnel to execute their digital transformation plans urgently.

► **Minimising daily disruptions to HR operations drives the demand for IT staff augmentation services**

Many organisations may maintain a relatively small HR team to handle crucial HR functions to ensure the daily operations of the company remain smooth. When an organisation has an ad-hoc IT project that requires an influx of additional IT resources with specific skillsets, its HR team may be pressured to hire within a short time for the IT project to commence and complete on time. In such cases, engaging IT staff augmentation services is ideal to minimise disruptions to daily HR operations and to speed up the project staffing process. This allows the HR team to reduce their time spent on recruiting for ad-hoc projects and thus, be able to focus on their core HR functions.

► **Reliance on the availability of suitable talents in the market and customer's hiring process and budget for successful placements**

IT solution and service providers are reliant on the availability of suitable talents in the market that match the requirements of their customers for the provision of IT staff augmentation services. In the IT industry, certain IT skillsets are highly specialised and may be difficult to source, and these providers are generally not involved in developing talents. Hence, they may face time constraints in sourcing suitable talents as hiring companies usually seek to hire within the shortest time possible.

As such, IT solution and service providers must have a wide talent reach and strong industry network in order to identify suitable candidates. They must also be able to reach out to passive job seekers to have a wider reach of talent pool. These providers are required to identify the closest potential candidates that meet their customers' requirements and demonstrate that the identified candidates are suitable for their customers' projects. In such cases, the providers may put their market reputation at risk if their customers are not satisfied with their recommendations that lead to unsuccessful hires.

IT solution and service providers are also reliant on other factors not within their control such as their customers' budgets that determine the competitiveness of the remuneration packages offered to the talents. While these providers encourage their customers to offer more competitive remuneration packages to attract the best talent, some organisations may have limited budgets and thus, this may affect the success of hiring.

► **Economic impact of the COVID-19 pandemic affects the demand for IT staff augmentation services and supply of IT personnel**

The economic impact of the COVID-19 pandemic may adversely affect the financial position of many organisations which may result in tighter budgets. As organisations may be more cautious with their spending moving forward, they may abort or temporarily delay non-essential ad-hoc IT projects in order to prioritise financial resources on core business functions. Hence, this may temporarily affect the demand for IT staff augmentation services.

Further, due to the strict travel measures imposed by many countries and the closure of international borders to curb the spread of the COVID-19 virus, the supply of IT personnel may be affected as IT solution and service providers face disruptions in sourcing for talents from other geographical regions. This poses challenges in sourcing for suitable talents due to the smaller pool of talents available. With the roll out of vaccinations, the impact of the COVID-19 pandemic is expected to ease gradually and the demand for IT staff augmentation services is expected to improve as economic activities resume over time to pre-COVID-19 levels.

2.4 COMPETITIVE LANDSCAPE

Competitive Overview

IT staff augmentation services are mainly provided by IT solution and service providers. IT solution and service providers leverage on their IT technical knowledge and industry network to source IT personnel with the suitable skillsets to meet their customers' requirement for ad-hoc IT projects. These providers may source IT talents in the local market or foreign markets based on their network and market outreach. Industry players generally compete in terms of geographical coverage, placement track record, and service quality and pricing.

Ramssol Group competes with regional IT solution and service providers for the provision of IT staff augmentation services in the countries involved. These regional industry players, established locally in the countries involved, with presence in multiple countries within Malaysia, Singapore, Thailand, Vietnam, Indonesia and/or Philippines include Comtel Solutions Pte Ltd, Abhidi Solution Sdn Bhd, Creative Mobile Multimedia Broadcasting (CMMB) Sdn Bhd, Zenith Infotech (S) Pte Ltd, Adventus Asia Pte Ltd, McITs Technologies Pte Ltd, Shell Infotech Pte Ltd and Teamwork Business Solutions Co. Ltd.

Ramssol Group also competes with IT solution and service providers with single country presence in the respective countries involved, such as iCrest Sdn Bhd, KISL Technology Centre Sdn Bhd, Planar Sphere Sdn Bhd, SYS IT (M) Sdn Bhd, WEBrandings (M) Sdn Bhd, Maven IT Solutions Sdn Bhd, Digileap Technologies Pte Ltd, Enterprise IT Services Pte Ltd, KG Sowers Group Pte Ltd, Sysnet System and Solutions Pte Ltd, Web Synergies (S) Pte Ltd, YM

Global Technologies Pte Ltd, Lanna Softworks Company, Ltd., Saraff Infotech Co. Ltd., Aware Corporation Limited, HPT Vietnam Corporation, and QSoft Vietnam Corporation.

Market Share

In 2020, the IT staff augmentation industry size in the countries involved, measured in terms of sales revenue, was recorded at USD5.63 billion (RM23.66 billion). For the FYE 2020, the segmental revenue of Ramssol Group derived from the provision of IT staff augmentation services was recorded at RM0.88 million and thereby, Ramssol Group captured a market share of 0.004% in the IT staff augmentation industry in the countries involved.

3 EMPLOYEE ENGAGEMENT PLATFORMS AND COLLABORATION PLATFORMS MARKET

3.1 INTRODUCTION

Employee engagement platforms

Employee engagement is the connection and emotional commitment of an employee towards its workplace and the organisation's goals. Having good employee engagement helps organisations to understand their employees' needs and expectations. Traditionally, engagement with employees are done through face-to-face and telephone conversations, email communications and at company events. Organisations may also conduct employee surveys online, allowing them to reach out to all their employees at different locations.

With the advancement of IT, organisations can engage with their employees through employee engagement platforms. Employee engagement platforms contain social networking features where users can share messages, photos and multimedia. These features encourage employees from different levels to connect, communicate and socialise with each other conveniently beyond work related engagements and in a more casual setting, promoting relationship building for a better work environment.

Some employee engagement platforms may also adopt a game-like concept, also known as gamification, to enhance employee engagement. Gamification creates a fun, interactive and rewarding environment to attract employees to actively engage with each other. For example, points are awarded when employees accomplish certain tasks such as sharing an article, participating in discussions, completing training programmes, or achieving daily health targets set by the organisation to create a healthy workforce; leaderboards are used to demonstrate rankings of all employees by points collected and to drive employees into friendly competition with each other; and the points collected can be exchanged with extra benefits offered by the organisation. Ultimately, employees are rewarded according to the level of engagement while organisations are able to collect information on a real-time basis to measure, analyse and improve employee engagement to create a more rewarding working culture.

Collaboration platforms

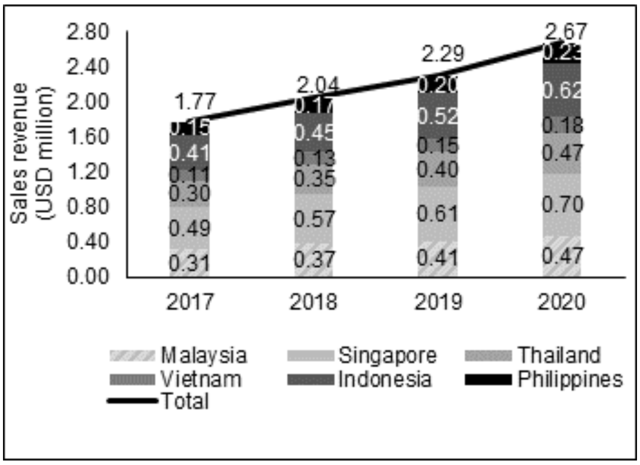
Communication tools such as instant messaging, audio and video conferencing tools, and emails enable group communications among employees of an organisation and external parties from different locations. Collaboration platforms offered in the market may comprise a combination of multiple communication tools integrated into a single platform. These collaboration platforms may also be equipped with other collaborative tools such as cloud-based file sharing and storage, document creation and editing, and calendar scheduling. Such collaboration platforms enable effective and convenient online work collaboration and communication, between internal and external parties of an organisation. Further, collaboration platforms may also be used by students and teachers to conduct online classes.

3.2 MARKET PERFORMANCE AND SIZE

The employee engagement platforms market in the countries involved, measured in terms of sales revenue, grew from USD1.77 million (RM7.61 million) in 2017 to USD2.67 million (RM11.22 million) in 2020 at a CAGR of 14.69%.

Subsequent to the outbreak of the COVID-19 virus in 2020, many employees are encouraged to work from home to curb the spread of the virus. This has led to a decrease in face-to-face communication and engagement between employees and the organisation. Hence, with the adoption of employee engagement platforms, organisations are able to re-elevate the reduced communication between employees as a result of being distanced from one another; and at the same time, organisations can continue to monitor and keep track of their employee's engagement remotely. This had contributed to the growth in the employee engagement platforms market in the countries involved in 2020.

Employee engagement platforms market, 2017-2020

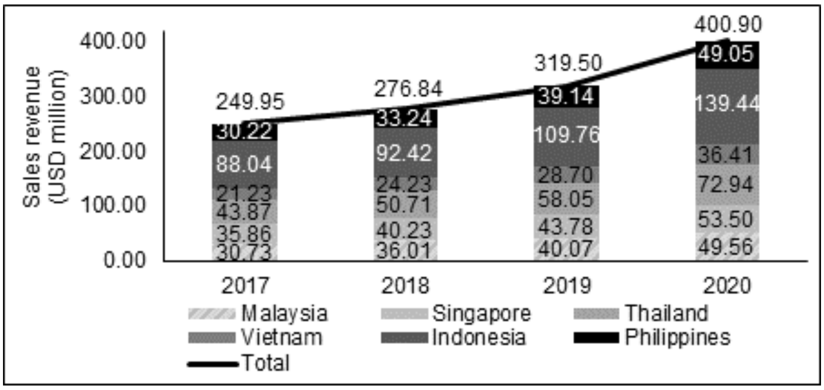


Sources: QY Research, SMITH ZANDER analysis

In view of the gradual shift in trends where organisations seek to adopt more effective options to better communicate and engage with their employees, as well as the new norm of physical distancing due to COVID-19, the employee engagement platforms market in the countries involved is expected to continue experiencing positive growth going forward.

The collaboration platforms market is measured in terms of sales revenue of business communication tools comprising audio and video conferencing, chats and other collaborative tools such as cloud-based file sharing and storage, document creation and editing as well as calendar scheduling. The size of the collaboration platforms market in the countries involved grew from USD249.95 million (RM1.07 billion) in 2017 to USD400.90 million (RM1.68 billion) in 2020 at a CAGR of 17.06%.

Collaboration platforms market, 2017-2020



Sources: QY Research, SMITH ZANDER analysis

Subsequent to the outbreak of the COVID-19 virus, there has been a surge in the demand for collaboration platforms as lockdown and physical distancing measures have forced organisations worldwide into adopting work from home practices, in a bid to curb the spread of the COVID-19 virus. This had contributed to the growth in the collaboration platforms market in the countries involved in 2020.

As the primary objective of collaboration platforms is to promote effective communication and collaboration remotely, the norm of working from home is expected to lead to an increase in the usage of collaboration platforms. Hence, the collaboration platforms market in the countries involved is expected to continue experiencing positive growth going forward.

3.3 KEY DEMAND DRIVERS, RISKS AND CHALLENGES

► **The use of gamification encourages proactive interaction and participation to enhance employee engagement, which drives the demand for employee engagement platforms**

The use of gamification in employee engagement platforms allows organisations to measure employee engagement levels while providing an interactive and fun environment to employees. The data collected from employees' interaction through the employee engagement platform can be translated into insightful information for organisations to gauge employees' job satisfaction, interests, preferred benefits, work commitment levels, and health and stress management, amongst others. According to the World Health Organization ("WHO"), more than 264 million people suffer from depression globally, and among these people, many of them are also suffering from symptoms of anxiety. A WHO-led study estimates that depression and anxiety disorders may cause the global economy USD 1 trillion each year in lost of productivity, and workplaces that promote mental health and support to employees with mental disorders are more likely to reduce absenteeism, and increase productivity and benefit from associated economic gains. Thus, a healthy workforce is likely to be more engaged with the organisation, and this may lead to a decrease in healthcare spending as well as risk of injuries and/or illnesses.

Additionally, with employees' proactive interaction and participation within the platform, data can be collected continuously and on a real-time basis as compared to traditional employee surveys which are conducted periodically and on a need-to basis. Hence, it provides organisations with real-time updates of employees' work sentiment and behavior, thus giving employers the ability to make data-driven decisions to develop talent management strategies for continuous improvement in the productivity of their workforce and to improve retention rates, as well as increase their ability to attract the best talent in the industry.

► **Employee engagement platforms and collaboration platforms for optimising productivity and facilitating workplace digital transformations**

As businesses grow and expand, teams and departments within an organisation become more widespread. The increase in distance creates challenges for employees to interact with one another conveniently and effectively. Modern communication tools such as employee engagement platforms and collaboration platforms enable organisations to provide a secure digital workspace and seamless communication to connect employees from various departments and geographical locations. Hence, employers are able to promote effective collaboration which drives employee productivity, as well as provide better engagement and management of their workforce remotely.

Overall business productivity can be enhanced when employees are able to stay connected on project updates and work progress through collaboration platforms. As storing, editing and sharing of documents can be done remotely, employees can easily access documents, thus enabling effective work collaboration. Additionally, internal and external communications are no longer confined by distance as audio and video conferencing allows discussions to convene online.

Subsequent to the outbreak of the COVID-19 virus, business operations have been severely disrupted following the implementation of lockdown and physical distancing measures. As a result, employee engagement platforms and collaboration platforms have become increasingly important as certain businesses can continue their operations with employees working from home through such platforms. This has led to a change in the way people work as well as organisations' acceptance of the importance of employee engagement platforms and collaboration platforms for effective remote communication and collaboration. Hence, this is expected to continue driving the demand for employee engagement platforms and collaboration platforms going forward.

Further, as the countries involved embark into their respective government-driven digital transformation initiatives (e.g. Industry 4.0 in Malaysia, Smart Nation in Singapore), workplace digital transformations are also taking place in organisations to leverage on technology to enhance workplace productivity and to support the adoption of technology to centralise, automate and improve business processes. The demand for employee engagement platforms and collaboration platforms is expected to increase to support workplace digital transformations.

► **Organisations' confidential information stored in the employee engagement platforms and collaboration platforms are subject to risk of security breaches**

Employee engagement platforms and collaboration platforms usually contain confidential information such as employee information, customer information, project details and other proprietary information. As these technologies are connected to the internet, the information stored is susceptible to external security threats such as virus attacks, hacking, espionage and cyber intrusions (e.g. hacking and malicious software). These incidences may cause leakage of confidential information to the public and potential breach of personal data protection acts or laws of the respective countries of implementation.

Hence, employee engagement platform and collaboration platform providers must ensure that their products are equipped with sufficient protection against these potential security breaches. Any occurrence of such security breaches may result in the loss of user confidence as well as financial and/or legal implications, which may adversely affect the provider's financial performance and market reputation.

3.4 COMPETITIVE LANDSCAPE

Competitive Overview

Employee engagement platforms

Employee engagement platform providers generally compete in terms of product features, user friendliness, pricing and market outreach. As the contents in the employee engagement platform are usually localised to suit the cultural background and company culture of the users, having a strong local sales support is essential for employee engagement platform providers to remain competitive in the market.

Ramssol Group's employee engagement platform, Feet's, which uses the gamification concept to enhance employee engagement, is currently offered in Malaysia and Indonesia. Ramssol Group also plans to expand the offering of Feet's to Singapore, Thailand, Vietnam and the Philippines. Examples of similar employee engagement platforms available within the countries involved are Vimigo (Malaysia), ORLIG Amaze Super Agent (Malaysia), Gametize (Singapore), MOMI (Singapore), Selfdrvn (Singapore, Malaysia and India), SKOR (Indonesia), Happily.ai (Thailand), BravoHR (Vietnam) and UpUp App (Vietnam).

Collaboration platforms

Collaboration platform providers generally compete in terms of product features, user friendliness, pricing and market outreach. In addition, these platforms are easily accessible through the internet and hence can be made available to any users internationally. Industry players who have a strong brand presence and market outreach are expected to be able to have a wider reach of customers beyond their country of origin.

Ramssol Group's collaboration platform, Lark, focuses on creating a virtual workspace for employees through the integration of multiple communication and collaborative tools such as audio and video conferencing, cloud-based file sharing and storage, document creation and editing, instant messaging, and calendar scheduling. Examples of other platforms offering multiple communication and collaborative tools similar to Lark are Avaya Spaces, Bitrix 24, Chanty, Cisco Webex, Eko, Flock, hibox, IceWarp TeamChat, Microsoft Teams, RingCentral Glip, Samepage, Slack, Wimi, Workplace from Facebook and Zoho Cliq.

Nevertheless, Ramssol Group's Lark also competes with other collaboration platforms that offer individual communication or collaborative tools that may not be integrated. Examples of these include Zoom (audio and video conferencing), Whatsapp (instant messaging), DropBox (cloud-based file sharing and storage) and Google Docs (document creation and editing).

Market Share

For the FYE 2020, the segmental revenue of Ramssol Group derived from the provision of HCM technology applications namely Feet's and Lark, was recorded at RM8.68 million. In 2020, the collective market size of employee engagement platforms and collaboration platforms in the countries involved, measured in terms of sales revenue, was recorded at USD403.57 million (RM1.70 billion). With that, Ramssol Group captured a market share of 0.51% in the employee engagement platforms and collaboration platforms markets in the countries involved collectively.

8. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING KEY RISK FACTORS WHICH MAY HAVE A MATERIAL ADVERSE IMPACT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND THE FUTURE PERFORMANCE OF OUR GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE INVESTING IN OUR COMPANY.

8.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

8.1.1 We are dependent on software vendors for the implementation of HCM and student management solutions as well as for the reselling of Lark

We are a HCM solution and technology specialist involved in the provision of HCM and student management solutions respectively, using third party software developed by software vendors. As we do not develop our own software, we are dependent on software vendors to implement HCM and student management solutions. This is because a HCM or student management software is the fundamental infrastructure within the HCM and student management solutions respectively, as it is the IT application that performs the required automation and streamlining of HR processes or student management processes.

Most of our revenue generated from the provision of HCM and student management solutions in the Financial Years Under Review uses software developed by Oracle Corp as set out in Section 6.3.1 of this Prospectus. We are assessed by Oracle Corp on an annual basis and our Group is required to maintain at least 2 in-house consultants certified by Oracle Corp when we renew our partnership status with Oracle Corp yearly. Hence, we are dependent on Oracle Corp to secure the rights to resell Oracle Corp's software licences and to provide implementation services for HCM and student management solutions, using Oracle Corp's software, to our customers. If there are any changes in Oracle Corp's business direction that results in the ceasing of our Group's partnerships with Oracle Corp, we may not be able to secure new projects to provide HCM and student management solutions using Oracle Corp's software. Such interruptions to our business operations may materially affect our HCM and student management solutions business and subsequently affect the growth of our Group.

Under our HCM technology applications, we resell a third party collaboration platform, namely Lark, which is licenced by Lark Technologies Pte Ltd. As we do not develop our own collaboration platform, we are dependent on Lark Technologies Pte Ltd as our software vendor for our sale of Lark. If there are any changes in Lark Technologies Pte Ltd's business direction that results in the ceasing of our rights to resell, our subsidiary, Rams Malaysia will not be able to resell Lark and secure new subscriptions, and our ongoing Lark subscriptions may also be affected. Such interruptions to our business operations may materially affect our HCM technology applications business and subsequently affect the growth of our business and our financial performance.

Further, we also rely on our software vendors to continuously upgrade and maintain the software to remain competitive in the market. If our software vendors are unable to continuously invest in new technologies and create new innovation to enhance their software, the software which we are authorised to resell and/or implement will lose its attractiveness in the market and consequently, we may lose our competitive edge to other providers in the market.

8.1.2 We are dependent on our Directors and key senior management team for continued success and growth of our business

The growth and future success of our Group is largely dependent on the continuous contribution from our CEO, Tan Chee Seng, for the leadership in determining the overall strategic direction and driving the business development and growth of our Group. Additionally, we also attribute our continuous success to the abilities, skills, experience and efforts of our COO, Lee Miew Lan, for overseeing the operational functions of our Group, and assisting our CEO in implementing operational strategies and policies.

Further, we are dependent on the continued service of our key senior management personnel who possess the relevant knowledge in their respective fields of work to ensure smooth operation of our business. As such, the loss of any of our Directors and key senior management simultaneously or within a short period may create unfavourable impact on our Group's operations and the future growth of our business. All of which may eventually affect the results of operations, financial performance and prospects of our Group, if we are unable to replace or attract suitable talents in a timely manner.

8.1.3 The project-based and contract-based nature of our business and the timing of delivery may lead to fluctuations in our Group's revenue, profit and operating cash flow

Our revenue was mainly derived from the provision of HCM and student management solutions, followed by the provision of IT staff augmentation services. Revenue from HCM and student management solution projects and IT staff augmentation services collectively contributed 100% to our Group's total revenue in FYE 2017 and FYE 2018, and approximately 99.49% and 64.05% in FYE 2019 and FYE 2020 respectively.

The provision of our HCM and student management solutions, particularly the consulting and implementation of solutions, are carried out on a project basis. Our revenue from delivery of services is recognised upon issuance of invoices based on project delivery milestones over the tenure of the projects. As such, the timing of project delivery will affect our billing schedule which will in turn affect our revenue recognition, and may cause our profit and operating cash flow to fluctuate.

Further, we provide IT staff augmentation services to our customers on a contractual basis, generally ranging between a period of few months to one year. Any renewal of our IT staff augmentation contracts is subject to our customers' internal IT projects and / or operational needs. Hence, the non-recurrent nature of new contracts secured as well as the renewal of existing contracts may cause the revenue, profit and operating cash flow of our IT staff augmentation business to fluctuate.

8.1.4 Our business and operations are exposed to sudden disruptions caused by serious pandemic and epidemic outbreaks

On 11 March 2020, COVID-19 virus, also known as the novel coronavirus was declared a worldwide pandemic by the World Health Organisation. In Malaysia, the government announced the MCO, effective 18 March 2020 to 3 May 2020, which had caused the closure of all government and private premises except those involved in essential services, unless written permission is obtained from MITI. Further, a CMCO was imposed between 4 May 2020 and 9 June 2020 which allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures. In view of the MCO and the CMCO imposed between 18 March 2020 and 9 June 2020, the business operations of our Group and the majority of our customers in Malaysia were affected. Further, our operations in Singapore, Indonesia and Thailand were also affected by the mandatory social / physical distancing measures and / or lockdowns imposed by the respective governments in these countries.

The mandatory social / physical distancing measures and / or lockdowns imposed by the governments in these countries have also prohibited us from continuing our work at our customers' premises. While our consultants continued to work from home to ensure the continuation of project implementation, certain parts of our work were restricted such as physical sighting of confidential documents were unable to be carried out, and extraction of information required from our customers were delayed due to unstable connection to customer's virtual private network. This had caused slight delays to our project delivery schedule which had subsequently affected our billing schedule from the second quarter of 2020 onwards for our existing projects. Any prolonged disruption to our business operations or our customers' business operations pursuant to the imposition of any mandatory social / physical distancing measures and / or lockdowns may have adverse impact on our project deliverables, thereby affecting our billing schedule and financial performance as we continue to incur fixed expenses during the mandatory social / physical distancing and / or lockdown period. Please refer to Section 6.15 of this Prospectus for further details on the interruptions to our business and operations caused by the COVID-19 pandemic.

Further, the economic impact of the COVID-19 virus may adversely affect the financial positions of many organisations which may result in tighter budgets. Organisations may be more cautious in their spending moving forward and prioritise resources in recovering their sales performance and financial position after the crisis ends. This may temporarily affect the demand for HCM solutions in view of its high cost of investment and may consequently cause a slowdown in the demand for our HCM solutions. In addition, it may also affect the demand for our IT staff augmentation services as organisations may temporarily delay or abort their ad-hoc IT projects.

As a result of the COVID-19 outbreak, up until the LPD, Rams Indonesia has entered into an agreement with 1 customer in Indonesia for the deferment of our HCM project due to factors as detailed in Section 6.15 of this Prospectus. There was also a slight delay in user acceptance testing for a project in Indonesia as detailed in Section 6.15 of this Prospectus. Any such future pandemic outbreaks, as well as epidemic outbreaks affecting a significantly large but more localised population, may result in similar interruptions to our Group's business and operations, which may subsequently have a material adverse impact on our financial performance.

8.1.5 We may not be able to successfully implement our business strategies

We plan to grow our HCM and student management solutions business and HCM technology applications business by further expanding our presence regionally, enhancing our existing offerings and increasing our sales. In order to successfully implement these business strategies, we need to attract suitable talents regionally, intensify our R&D activities and increase our sales and marketing activities. Please refer to Section 6.6 of this Prospectus for further details of our business strategies.

The execution of our business strategies is subject to additional expenditures including staff costs, office rental, sales and marketing expenses, R&D expenses and other working capital requirements. Such additional expenditures will increase our Group's operational cost including our overhead costs, and may adversely affect our profit margin if we are unable to gain sufficient revenue by securing more sales or projects following the implementation of our business strategies. Furthermore, the implementation of our business strategies may be influenced by factors beyond our control, such as changes in general market conditions, economic climate and political environment in Malaysia as well as regionally in Southeast Asia, which may affect the commercial viability of our business strategies. The implementation of our business strategies could also be adversely affected by a variety of other factors such as new and unforeseen technologies used or introduced by our competitors or attractive pricing offered by our competitors, which may affect the attractiveness of our offerings.

Hence, there can be no assurance that the effort and expenditures spent on the implementation of our business strategies will yield expected results in growing our business in terms of financial performance and market presence. We are not able to guarantee that we will be successful in executing our business strategies, nor can we assure that we will be able to anticipate all the business, operational and industry risks arising from our business strategies. Such failure may lead to adverse effect on our business operations and financial performance.

8.1.6 The commencement of our HCM technology application business, particularly Feet's, may not be profitable in the first few years of operations

Feet's was launched in Malaysia and Indonesia in March 2019 and October 2019 respectively. As Feet's is relatively new in the market, we are expected to continue to incur high investment cost in marketing activities and in expanding our existing sales and marketing team to actively market Feet's to organisations in Malaysia and Indonesia to expand our market presence. Further, we will also continue to incur high capital expenditure for the continuous enhancement and R&D activities for Feet's to provide more impactful employee engagement insights as well as to meet market trends and demand for employee engagement products.

As part of our regional expansion plan, our Group intends to expand the presence of Feet's to Singapore, Thailand and Vietnam. Being a new brand in these markets, our Group will have to invest extensively in marketing activities to build our brand presence in the respective countries, and we may also require time to gain market acceptance for Feet's. Further, we will incur upfront cost to set up our sales and marketing teams in the respective countries to carry out marketing activities and to secure brand partners for Feet's. Further, as the language used in Feet's has to be localised for users in Thailand and Vietnam, our expansion into these countries will require our Group to incur initial investment cost for language localisation prior to launching Feet's in these markets.

Despite the high initial investment cost for Feet's, there can be no assurance that we will be able to attract sufficient subscriber base and yield sufficient revenue to achieve profitability in the first few years of launching Feet's in every country.

8.1.7 We are dependent on our team of consultants for the provision of HCM and student management solutions

Our consultants are our Group's main assets in our HCM and student management solutions business. The provision of HCM and student management solutions, including consulting and implementation of the respective solutions as well as technical support and maintenance services, requires the expertise of our consultants who are equipped with extensive HR knowledge as well as experience in HCM software and student management software. As at the LPD, we have a total of 43 in-house consultants (including 15 certified by Oracle Corp). Our in-house consultants consist of 24 permanent employees while the remaining 19 are contract / temporary employees.

Our ability to retain and also to attract competent and skilled consultants is crucial for our continued success, future business growth and expansion. Any loss of our consultants and our inability to find suitable replacements in a timely manner may cause disruptions to our project deliverables. Consequently, if our Group is unable to adhere to our project delivery schedules, our billing schedule will be delayed as invoices are issued according to project delivery milestones. Further, based on the agreement for our current on-going projects as at the LPD, our customers are allowed to claim for liquidated damages of up to 5% of the total project cost. In the event that our customers claim for liquidated damages in relation to delays or failures caused by our Group to meet any milestones as specified in the agreement, it will increase our project cost and this may adversely affect our financial performance if there is a significant number of such claims. Since the commencement of our business, our Group has not received any claims for liquidated damages arising from delays in meeting project milestones.

In addition, based on the agreement for our current on-going technical support and maintenance services, our customers are allowed to claim for liquidated damages of up to 10% of the technical support and maintenance contract. If our customers claim for liquidated damages in relation to delays or failures caused by our Group to provide such services, it will increase our operating cost and this may adversely affect our financial performance if there is a significant number of such claims.

8.1.8 Our in-house and third party HCM technology applications, Feet's and Lark, are exposed to the risk of security breaches

Our subscribers' personal information and all data generated from Feet's are stored on third party cloud platform. Storing data electronically may expose our database to external security threats such as malware attacks, hacking, espionage or cyber intrusions, as well as internal security breaches which include unauthorised access to restricted information by our employees.

Under the Personal Data Protection Act 2010, any service provider that collects customer information has the responsibility to adopt and implement a policy that protects the privacy of identifiable information. Failure to protect our Feet's subscribers' information from security breaches may result in the termination of subscriptions by our subscribers as well as exposure to legal action by the subscribers for breach of confidentiality including, but not limited to, lawsuits for damages arising from such breaches, which could adversely affect our business reputation and subsequently may result in long term repercussions on the demand for and/or usage of Feet's.

In February 2020, our subsidiary, Rams Malaysia began to resell Lark, a third party collaboration platform Asia Pacific (including Japan and excluding Mainland China). We do not own Lark and the subscribers' information are stored in Lark's database. In the event where there are security breaches on Lark which lead to leakage of subscribers' information to unauthorised parties, as a reseller, our reputation and relationship with our subscribers may be adversely affected. Further, it may also lead to loss of subscribers' confidence in our Group which will adversely affect our industry reputation.

Please refer to Section 6.7 of this Prospectus for measures taken by us to minimise the risk of potential security breaches. While we have taken the necessary measures to minimise the risk of potential security breaches, there can be no assurance that there will not be cases of security breaches in the future which could lead to adverse impact to our Group as described above.

8.1.9 Our intellectual property rights may be infringed and / or we may inadvertently infringe on third party's intellectual property rights

We retain the ownership rights of Feet's, our in-house employee engagement mobile application that was developed in-house and first launched in Malaysia in March 2019. Our Group had on 12 November 2019 submitted a patent application with the Intellectual Property Corporation of Malaysia in relation to Feet's technology in Malaysia. However, there can be no assurance that our intellectual property rights will adequately protect against any external infringement of Feet's.

In the development of Feet's, including all on-going enhancements and modifications, there are also possibilities that we could inadvertently infringe intellectual property rights held by third party(s). This would result in the risk of the third party challenging our Group's intellectual property rights or taking legal action against us.

There is no assurance that any of the above incidents will be resolved in our favour. In the event that we are unsuccessful in pursuing any action against third party infringers, or a third party has successfully established that we have infringed its intellectual property, we may suffer significant loss arising from financial penalties and / or litigation costs. We may also be exposed to other risks such as adverse reputation and / or being prevented from selling the subscription of Feet's, which may impact our range of HCM offerings and financial performance. Since the launching of Feet's in Malaysia in March 2019, our Group has not encountered any issues relating to the infringement of third parties' intellectual property rights.

8.1.10 Our financial performance may be impacted by any changes in the conditions or loss of MSC Malaysia status

Our subsidiary, Rams Malaysia, was granted MSC Malaysia status on 10 November 2014. Presently, all MSC Malaysia status companies are granted with certain financial and non-financial incentives. The MDEC is the responsible body for monitoring all MSC Malaysia status companies, and MDEC has the right to revoke a company's MSC Malaysia status at any time in the event that there is non-compliance of the stipulated conditions.

As such, there can be no assurance that Rams Malaysia will continue to retain its MSC Malaysia status or to enjoy the access to incentives granted to all MSC Malaysia status companies. Further, there can also be no assurance that the incentives will not be changed or modified in the future. All of these could have an adverse effect on our Group's financial performance.

Pursuant to the MSC Malaysia status, Rams Malaysia was granted Pioneer Status which entitles Rams Malaysia to a 100% exemption on taxable statutory income derived from approved MSC activities in the first 5 years upon the grant of MSC Malaysia status. Please refer to Section 6.20 of this Prospectus for the salient conditions imposed by MDEC on our Pioneer Status and MSC Malaysia status respectively. Upon the expiry of the first 5 years, the grant of tax exemption can be renewed for a further period of 5 years.

Our Pioneer Status, which was effective from 21 November 2014, had expired on 20 November 2019. Rams Malaysia had, on 22 April 2020 submitted an application to renew the Pioneer Status. MDEC has confirmed via a letter to Rams Malaysia dated 22 October 2020 the compliance of conditions by Rams Malaysia under the MSC Malaysia Status Conditions of Grant of Rams Malaysia as at the expiry date of the Pioneer Status. On 2 November 2020, MDEC has confirmed via a letter dated 2 November 2020 that the application for renewal of Pioneer Status has been submitted to the National Committee on Investment for further deliberation. On 14 December 2020, Rams Malaysia received approval from the Malaysian Investment Development Authority for the extension of Pioneer Status effective from 21 November 2019 to 20 November 2024. This has allowed Rams Malaysia to continue to be 100% exempted from taxation on its statutory income until 20 November 2024. While Rams Malaysia was subject to the applicable statutory taxation for FYE 2019 as the renewal of the Pioneer Status was received thereafter on 14 December 2020, we plan to file for a tax refund for the FYE 2019 when we file for the taxation for the FYE 2020 in the second half of 2021. Upon the expiry of the Pioneer Status on 20 November 2024, Rams Malaysia will be subject to the applicable statutory tax rates going forward, which may affect the overall future profitability of our Group.

8.1.11 We are exposed to foreign exchange transaction risks which may impact the profitability of our Group

For the Financial Years Under Review, our Group is involved in the provision of HCM and student management solutions, and HCM technology applications primarily for customers in Southeast Asia, including Malaysia, Thailand, Singapore, Vietnam and Indonesia. The breakdown of our revenue by currencies in the Financial Years Under Review are as follows:

	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Currency	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**	**RM '000**	**% of total revenue**
RM	1,698	24.94	2,877	22.97	6,294	40.77	12,571	49.63
THB	482	7.08	5,063	40.43	5,433	35.19	7,554	29.82
SGD	4,177	61.35	3,982	31.80	3,469	22.47	2,835	11.19
USD [(1)]	421	6.19	445	3.56	92	0.59	55	0.22
VND	30	0.44	156	1.24	90	0.58	-	-
IDR	-	-	-	-	61	0.40	2,316	9.14
Total revenue	**6,808**	**100.00**	**12,523**	**100.00**	**15,439**	**100.00**	**25,331**	**100.00**

Note:

(1) Revenue from customers in the Netherlands and Taiwan.

For the Financial Years Under Review, our purchases, comprising HCM and student management software licences from software vendors, and subcontracted implementation services from other IT companies, are mainly denominated in THB, USD, SGD and RM. Nevertheless, our purchases may vary from year to year which will be subject to the countries where we secure our sales. The breakdown of our purchases by currencies in the Financial Years Under Review are as follows:

	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Currency	**RM '000**	**% of total purchases**	**RM '000**	**% of total purchases**	**RM '000**	**% of total purchases**	**RM '000**	**% of total purchases**
THB	297	40.97	3,340	86.77	2,297	81.77	2,509	69.14
USD	-	-	46	1.21	305	10.86	328	9.04
SGD	275	37.90	272	7.06	207	7.37	276	7.60
RM	153	21.13	191	4.96	-	-	-	-
IDR	-	-	-	-	-	-	516	14.22
Total purchases	**725**	**100.00**	**3,849**	**100.00**	**2,809**	**100.00**	**3,629**	**100.00**

Our Group does not hedge our exposure to fluctuations in foreign currency exchange rates. As such, we are subject to foreign exchange fluctuation risk for our revenue and purchases denominated in foreign currencies which we transact.

A depreciation of the RM against the currencies which we transact will lead to higher revenue in RM after conversion, whereas it will also lead to higher cost of purchases in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower revenue and lower cost of purchases in RM after conversion. Overall, our foreign exchange gains and losses for the Financial Years Under Review are as follows:

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Foreign exchange gain / (loss)	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Unrealised	(8)	(12)	25	(47)
Realised	(9)	6	80	(9)
Total	(17)	(6)	105	(56)

8.1.12 Our HCM and student management solution project deliverables are exposed to unexpected delays or interruptions caused by operational factors, accidents and natural disasters beyond our control

The deliverables of our HCM and student management solution projects are subject to unexpected delays or interruptions caused by factors beyond our control. For example, our customers may delay the completion of projects due to unforeseen circumstances such as unavailability of persons-in-charge at the customers' sites to facilitate the implementation of the project, or unexpected difficulties in accessing our customers' IT infrastructure due to sudden breakdowns or unscheduled system maintenance.

If there are any delays caused by our customers which result in delays in the progress of our projects, our timing of delivery will be affected and this will subsequently affect our timing for revenue recognition and collection of payment from our customers, thus affecting our financial performance. Hence, we are dependent on the availability and cooperation of our customers to minimise delays in our deliverables.

Any other unexpected events such as accidents and natural disasters may also restraint our employees' movements where our implementation teams are unable to travel to customers' premises, or in more serious cases, lead to loss of some of our implementation team members which may cause temporary disruptions to our projects. As the delivery of our services and project deliverables is dependent on our employees and cannot be replaced or automated with machines, any unexpected significant interruptions to our manpower which are not resolved in a timely manner may affect the timing of delivery of our projects and subsequently affect our timing for revenue recognition and collection of payment from our customers.

8.1.13 We are exposed to risks relating to the economic, political, legal and regulatory environments in the countries in which we operate

Our Group operates regionally in Southeast Asia with offices in Malaysia, Singapore, Thailand, Vietnam and Indonesia. Our Group also plans to continue expanding our regional presence to the Philippines. Our business, prospects, financial condition and results of operations may be affected by any adverse developments, changes and / or uncertainties in the economic, political, legal and regulatory environments that are beyond our control in the countries in we operate and transact business. These risks include unfavourable changes in political conditions, economic conditions, interest rates, government policies and regulations, import and export restrictions, duties and tariffs, civil unrests, methods of taxation, inflation and foreign exchange controls.

Any changes in government policies that may cause disruptions in business operations and financial performance of businesses, may consequently cause a decline in HR budgets and demand for our Group's products and services. Such events may have a material adverse effect on our business and financial performance. There can be no assurance that any adverse economic, political, legal and / or regulatory developments will not lead to a material adverse effect on the business performance of our Group.

8.1.14 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in the course of our business operations

We maintain insurance at levels that are customary in our industry to protect against various losses and liabilities. As at the LPD, the insurance policies taken by our Group in regards to the respective subsidiaries are as follows:

(i) Professional indemnity insurance policy for Rams Malaysia, Rams Singapore, Rams Thailand, Rams Vietnam and Rams Indonesia;

(ii) Fire and allied perils, all risks, burglary and money, plate glass, public liability, employer's liability insurance policy for our headquarters in Malaysia; as well as fire, lightning, explosion, falling aircraft, smoke, flood, riot, strike, malicious damage and civil commotion, burglary and money-in-safe loss, and third party legal liability insurance policy for our office in Indonesia. Our offices in Singapore and Thailand are operated from service offices whereas our office in Vietnam is a virtual office and as such, we do not procure similar insurance policies for these offices;

(iii) Group personal medical insurance policy for our employees in Malaysia, Singapore, and Thailand. We do not procure group personal medical insurance for our employees in Vietnam; and

(iv) Life insurance policy for our CEO, Tan Chee Seng and our COO, Lee Miew Lan, with our Group being the beneficiary of the policies.

However, in the event of claims, our insurance may not be adequate to cover all losses or liabilities that might be incurred in our operations as a result of any unforeseen circumstances. Moreover, we will be subject to the risk that, in the future, we may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business operations and financial performance.

As at the LPD, our Group is in the midst of finalising group personal medical insurance policy for Rams Indonesia. In the event of the occurrence of any unforeseen circumstances prior to securing the policy for Rams Indonesia, our Group will be required to absorb all cost incurred and this may affect our financial performance.

8.1.15 We are exposed to credit risk and default payment by customers

We generally grant our customers credit periods between 30 days to 45 days upon issuance of invoices. In the event that payment is not received within the credit period or there is a default in payment by our customers, our operating cash flows or financial results of operations may be adversely affected.

Our allowances for impairment loss for the Financial Years Under Review are as follows:

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Allowance for expected credit loss	15	-	-	213

As at FYE 2020, trade receivables past due but not impaired amounted to RM1.70 million or 14.70% of our total trade receivables as set out in Section 12.3.7.1 of this Prospectus. As at the LPD, trade receivables past due but not impaired amounted to RM3.43 million or 41.23% of our total trade receivables. While we have not impaired for any credit loss in the Financial Years Under Review and up to the LPD, there can be no guarantee that our customers will be able to fulfil their payment obligations and that we will not encounter any collection problems in the future. In the event that there is any default or delay in the collection of payment, it will lead to impairment losses on trade receivables or bad debts which may have material adverse impact on our financial performance.

8.2 RISKS RELATING TO OUR INDUSTRY

8.2.1 We are dependent on our customers' budgets as the adoption of HCM or student management solutions requires high cost of investment

HCM solutions generally are suitable for large organisations for automation of HR processes and management of large volumes of data generated by a large workforce. HCM solutions also allow organisations to enhance its talent management strategies by incorporating modern key performance indicators such as employees' health, fitness, happiness and levels of engagement, enabling organisations to keep abreast with evolving needs of their workforce and to position themselves as a desired workplace to attract the best talent in the market. On the other hand, student management solutions are designed for educational institutions to automate multiple aspects of administrative processes for academicals and student management such as student admission, registration of study programme, fees payment, attendance tracking, recording of examination grades, distribution of learning materials and participation in co-curriculum activities.

The adoption of HCM and student management solutions requires high cost of investment which comprises cost to purchase user licences and cost to engage consulting, implementation, and support and maintenance services for the solution. The cost of a HCM or student management solution is based on various factors, including types of software, modules to be implemented, duration of project, number of consultants required and complexity of the solutions based on organisations' HR policies and workflow processes requirements and educational institutions' student administrative requirements respectively.

Our HCM solutions, especially solutions using Oracle Corp's HCM software, are generally catered to large organisations with at least 1,000 users; while our student management solutions are generally catered to large educational institutions also with at least 1,000 users. Due to the scale of implementation, our HCM and student management solutions require high investment cost from organisations and educational institutions respectively, and this may present challenges for organisations and educational institutions with limited budgets to adopt our solutions.

8.2.2 We face competition from other HCM and student management solutions providers and software vendors

Organisations and educational institutions who are the end users of HCM and student management solutions respectively, may engage other HCM and student management solution providers including solution providers which are registered as OPN members with Oracle Corp, or software vendors for their projects, and hence, our Group faces competition from these solution providers and software vendors in the provision of HCM and student management solutions. As at the LPD, there are 186 OPN members in Malaysia, 162 OPN members in Singapore, 120 OPN members in Thailand, 110 OPN members in Indonesia and 97 OPN members in Vietnam.

In cases where customers engage solution providers for their HCM or student management solution projects, our Group as a solution provider would compete with other similar solution providers. We also compete with software vendors when customers engage them directly for their projects, as these software vendors sell licences of other brands of HCM software and/or student management software, and they also deliver implementation and consulting to the customers through their in-house expertise. We compete with these solution providers and software vendors in terms of expertise and resources available, software used, service quality, delivery time and pricing strategies.

The competition arising from other solution providers and software vendors may result in increased difficulty for us in winning competitive tenders for future projects, which will have a negative impact on our revenue and subsequently our overall financial performance.

8.2.3 Our IT staff augmentation services are exposed to factors beyond our control including the availability of suitable talent in the market, and our customers' hiring process and budget for successful placements

Successful hires for our IT staff augmentation services are subject to many factors including the suitability and availability of suitable IT talent in the market that matches the requirements of our customers, and other factors beyond our control such as our customers' hiring process and budget that determines the competitiveness of the remuneration packages offered to talents.

In the IT industry, certain IT skillsets are highly specialised and may be difficult to source. For example, if our customer is looking for an IT professional with specialised skillsets and experience in handling a certain brand of software for a particular industry, the talent pool may be relatively small. This is because the IT professional is required to have strong IT technical skills and knowledge in handling that particular brand of software, while the IT professional is also required to have the relevant industry experience in order to meet all our customer's requirements.

Further, our customers generally provide us a duration between 30 days to 3 months to source for the suitable talents. As the period given are relatively short and it may not be feasible for us to train or develop talents with the relevant IT skillsets and knowledge in order to fit all our customer's requirements, we usually source for talents who already have the necessary IT skillsets and experience to propose them to our customers. Nevertheless, there can be no assurance that such talents that fit all our customer's requirements are readily available in the market. This may result in the inability to provide suitable talents to our customers, or proposing the closest potential talents, which may eventually lead to unsuccessful hires and the loss of revenue.

We are also dependent on the information provided by our customers to identify suitable talents. In cases where limited or inconsistent information on the job scope and expectations are provided to us which we then convey to the potential talents, it may create confusion and an unpleasant hiring process that may lead to losing the best talent. In addition, limited budgets which may affect the competitiveness of remuneration packages offered to the talent may also lead to losing the best talent to competing hiring companies. Further, if the hiring process is too lengthy or our customers struggle to reach a consensus on the decision to hire, it may result in the best talent seeking jobs elsewhere.

If we are unable to secure any hires, we will be unable to claim the full service fees from our customers which will adversely affect our financial performance. Further, as we bill our customers for IT staff augmentation services on a monthly basis, any termination of contract by our customers during the contract period may result in us being unable to realise the full contract value of the agreement. If there are significant amount of such cancellations, our financial performance may be adversely affected as we may not be able to achieve the expected financial results.

8.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

8.3.1 No prior market for our Shares and it is uncertain whether a sustainable market will ever develop

Prior to our IPO, there has been no public shares for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or if developed, that such a market will be sustainable. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the selling prices at which holders would be able to obtain for our Shares.

We, our Promoters and the Selling Shareholder have no obligation to cause our Shares to be marketable. The Issue Price was determined after taking into consideration various factors and these factors could cause our Share price to fluctuate which may adversely affect the market price of our Shares.

There can be no assurance that the Issue Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing and that the market price of our Shares will not decline below the Issue Price.

8.3.2 Capital market risks and share price volatility

The performance of capital market is very much dependent on external factors such as the performance of the regional and global stock market and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes in capital market, thus adding risks to the market price of our listed Shares. Nevertheless, the profitability of our Group is not dependent on the performance of the capital market as the business activities of our Group have no direct correlation with the performance of securities listed in the capital market.

Our Shares could trade at prices lower than the Issue Price depending on various factors, including current economic, financial and fiscal condition in Malaysia, our operations and financial results and the price volatility in the markets for securities in similar or related industry in Malaysia or emerging markets. There is no assurance that any market for our Shares will not be disrupted by price volatility or other factors, which may have a material adverse effect on the market price of our Shares.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, amongst others, the following factors, some of which are beyond our control:

(i) variation in our results and operations;

(ii) success or failure in our management team in implementing business and growth strategies;

(iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;

(iv) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events and factors;

(v) additions or departures of our key management personnel;

(vi) fluctuations in stock market prices and volumes; or

(vii) involvement in litigation.

In addition, many of the risks described herein could materially and adversely affect the market price of our Shares. Furthermore, if the trading volume of our Shares is low, price fluctuation may be exacerbated. Accordingly, there can be no assurance that our Shares will not trade lower than the original issue price of our Shares.

8.3.3 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after the IPO

As disclosed in Section 4.1.1 of this Prospectus, our Promoters will collectively hold in aggregate 51.80% of our enlarged issued share capital after our Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and / or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders.

8.3.4 The sale or the possible sale of a substantial number of Shares in the public market following our IPO could adversely affect the price of our Shares

Following the completion of our IPO and Listing, approximately 35% of our enlarged issued share capital will be publicly held by investors participating in our IPO, while approximately 65% of our enlarged issued share capital, will be held by our Promoters, substantial shareholders, Offerors and Pre-IPO Investors.

It is possible that our Promoters, substantial shareholders, Offerors and Pre-IPO Investors may dispose of some or all of their Shares after their respective moratorium period, pursuant to their own investment objectives. If our Promoters, substantial shareholders, Offerors and Pre-IPO Investors sell, or are perceived as intending to sell, a substantial amount of our Shares, the market price of our Shares could be adversely affected.

8.3.5 Delay in or cancellation of our Listing

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

(i) Our Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations under such agreement;

(ii) Our inability to meet the minimum public spread requirement under the Listing Requirements of having at least 25.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 200 public shareholders holding at least 100 Shares each at the point of our Listing; or

(iii) The revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment of our IPO Shares:

(i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

(ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest within 14 days.

Where subsequent to the issuance and allotment of our IPO Shares:

(i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be redeemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules to the extent that our IPO Shares form part of our share capital. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either (aa) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (bb) a solvency statement from the directors.

9. RELATED PARTY TRANSACTIONS

9.1 RELATED PARTY TRANSACTIONS

Under the Listing Requirements, a "**related party transaction**" is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party. A "**related party**" of a listed issuer (not being a special purpose acquisition company) is:

(i) A director, having the meaning given in subsection 2(1) of the CMSA, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or

(ii) A major shareholder, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the nominal amount of that shares on the aggregate of the nominal amounts of those shares is:

(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation;

(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or

(iii) A person connected with such director or major shareholder.

(The rest of this page is intentionally left blank)

9. RELATED PARTY TRANSACTIONS *(CONT'D)*

9.1.1. Our Group's Related Party Transactions

Save as disclosed below, our Group has not entered into nor proposes to enter into any related party transactions for the Financial Years Under Review and for the subsequent financial period up to the LPD:

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature of Interest in Related Party	Nature of transaction	Transaction Value (RM'000)				
						FYE 2017	FYE 2018	FYE 2019	FYE 2020	Up to the LPD
(i)	Rams Malaysia and Tan Chee Seng	Tan Chee Seng	Promoter, substantial shareholder and Director	Owner of the property	Rams Malaysia is renting from Tan Chee Seng its office premise located at B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	-	-	(1) -	27 / 0.39% of our PAT	45
(ii)	Rams Malaysia and Lee Miew Lan	Lee Miew Lan	Promoter, substantial shareholder and Director	Owner of the property	Rams Malaysia is renting from Lee Miew Lan its office premise located at B-04-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	-	-	(2) -	21 / 0.30% of our PAT	35
(iii)	Rams Malaysia and Feets Malaysia	Wong Kum Loong	Substantial shareholder	Substantial shareholder	Rams Malaysia is sub-letting to Feets Malaysia part of its office premise located at B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	-	-	-	-	(3) 14

9. RELATED PARTY TRANSACTIONS *(CONT'D)*

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature of Interest in Related Party	Nature of transaction	Transaction Value (RM'000) FYE 2017	FYE 2018	FYE 2019	FYE 2020	Up to the LPD
(iv)	Rams Malaysia and Springbok Consulting Sdn Bhd	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders [4]	Springbok Consulting provided management and support services to Rams Malaysia [5]	100 / 3.77% of our administr-ative expenses	60 / 2.55% of our administr-ative expenses	-	-	-
(v)	Rams Malaysia and Springbok Consulting Sdn Bhd	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders [4]	Advances from Rams Malaysia to Springbok Consulting Sdn Bhd	135 / 4.52% of our NA	401 / 33.62% of our NA	-	-	[6] -
(vi)	Rams Malaysia and Springbok Consulting Sdn Bhd	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders [4]	Repayment from Springbok Consulting Sdn Bhd to Rams Malaysia	-	-	[7] 18 / 9.23% of our NL	-	[6] -
(vii)	Rams Malaysia and Feets Malaysia	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders [8]	Rams Malaysia provided management services to Feets Malaysia in relation to the mobile application development of Feet's	-	[9] 60 / 5.48% of our NA	-	-	-
(viii)	Rams Malaysia and Feets Malaysia	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders [8]	Rams Malaysia underwent R&D for the mobile application development of Feet's that was charged to Feets Malaysia	-	[10] 2,126 / 194.16% of our NA	-	-	-

9. RELATED PARTY TRANSACTIONS *(CONT'D)*

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature of Interest in Related Party	Nature of transaction	Transaction Value (RM'000) FYE 2017	FYE 2018	FYE 2019	FYE 2020	Up to the LPD
(ix)	Rams Malaysia and Feets Malaysia	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders [8]	Advances from Rams Malaysia to Feets Malaysia	30 / 1.00% of our NA	499 / 45.57% of our NA	-	-	[6] -
(x)	Rams Malaysia	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances to Directors [11]	314 / 10.51% of our NA	11 / 1.00% of our NA	-	-	[12] -
(xi)	Rams Malaysia	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment from Directors [11]	-	314 / 28.68% of our NA	-	-	[12] -
(xii)	Rams Thailand	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances to Directors [11]	25 / 0.84% of our NA	412 / 37.63% of our NA	37 / 18.97% of our NL	-	[12] -
(xiii)	Rams Thailand	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment from Directors [11]	-	-	89 / 45.64% of our NL	-	[12] -
(xiv)	Rams Malaysia	Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances to Directors [11]	28 / 0.94% of our NA	-	-	-	[12] -
(xv)	Rams Singapore	Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment from Directors [11]	15 / 0.50% of our NA	-	-	-	[12] -

9. RELATED PARTY TRANSACTIONS *(CONT'D)*

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature of Interest in Related Party	Nature of transaction	Transaction Value (RM'000)				
						FYE 2017	FYE 2018	FYE 2019	FYE 2020	Up to the LPD
(xvi)	Rams Malaysia	Nguyen Dinh Minh [13]	Former director and shareholder	Former director and shareholder	Advances to Directors	2 / 0.07% of our NA	-	-	-	[12] -
(xvii)	Rams Singapore	Nguyen Dinh Minh [13]	Former director and shareholder	Former director and shareholder	Repayment from Directors	2 / 0.07% of our NA	-	-	-	[12] -

Save as disclosed below in the notes, our Directors confirm that all the related party transactions outlined above between the Group and the Directors and / or substantial shareholders of the Company and / or persons connected to them were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to our Group and are not detrimental to our minority shareholders.

Notes:

(1) This tenancy agreement was entered into between Rams Malaysia and Tan Chee Seng on 1 September 2019 and has expired on 28 February 2021. Rams Malaysia has not made any rental payment as Tan Chee Seng had granted Rams Malaysia under the terms of this tenancy agreement a free-rental-period of 6 months from 1 September 2019 to 31 March 2020 and such period has subsequently been extended to 30 September 2020 due to the COVID-19 pandemic. Following the expiry of the tenancy agreement on 28 February 2021, a new tenancy agreement was entered into on 1 March 2021 for a tenure of one (1) year on the same terms, with Rams Malaysia and Tan Chee Seng having the option to extend the tenure of the tenancy granted for a further year. Details on the salient terms of the new tenancy agreement are set out in Section 6.22.2 of this Prospectus. This transaction was made at arm's length as the monthly rental rate is within the monthly market rental rate as set out in Section 6.22.2 of this Prospectus.

(2) This tenancy agreement was entered into between Rams Malaysia and Lee Miew Lan on 1 September 2019 and has expired on 28 February 2021. Rams Malaysia has not made any rental payment as Lee Miew Lan had granted Rams Malaysia under the terms of this tenancy agreement a free-rental-period of 6 months from 1 September 2019 to 31 March 2020 and such period has subsequently been extended to 30 September 2020 due to the COVID-19 pandemic. Following the expiry of the tenancy agreement on 28 February 2021, a new tenancy agreement was entered into on 1 March 2021 for a tenure of one (1) year on the same terms, with Rams Malaysia and Lee Miew Lan having the option to extend the tenure of the tenancy granted for a further year. Details on the salient terms of the new tenancy agreement is set out in Section 6.22.2 of this Prospectus. This transaction was made at arm's length as the monthly rental rate is within the monthly market rental rate as set out in Section 6.22.2 of this Prospectus.

9. RELATED PARTY TRANSACTIONS *(CONT'D)*

(3) This sub-tenancy agreement was entered into between Feets Malaysia and Rams Malaysia on 1 March 2021 for a tenure of one (1) year, with Feets Malaysia and Rams Malaysia having the option to extend the tenure of the tenancy granted at their mutual agreement. Details on the salient terms of the sub-tenancy agreement are set out in Section 6.22.2 of this Prospectus. This transaction was made at arm's length as the monthly rental rate is within the monthly market rental rate as set out in Section 6.22.2 of this Prospectus.

(4) Tan Chee Seng and Lee Miew Lan has disposed all their equity interest in Springbok Consulting Sdn Bhd to a third party on 18 July 2019 and resigned as directors on 7 August 2019.

(5) On 1 August 2017, Rams Malaysia and Springbok Consulting Sdn Bhd entered into a management and administrative services agreement in which Springbok Consulting provides to Rams Malaysia services such as safekeeping of Rams Malaysia's records, assisting Rams Malaysia in sales and marketing activities, providing general consultation services regarding IT matters and other general administrative services (including accounting services, HR and absence management system) a monthly fee of RM20,000 based on rate of man days. These transactions were made at arm's length as the rate of man days is within the range of rates we would normally charge our clients. This agreement has since been effectively terminated on 31 March 2018.

(6) Other than the amount owing by related parties of RM2.06 million in the FYE 2017 and RM0.55 million in the FYE 2018, there was no other amount owing by related parties of our Group. The amounts owing by Feets Malaysia for FYE 2018 and FYE 2019 was eliminated following its acquisition by Rams Malaysia at the end of FYE 2018. These amounts were not made on arm's length basis as they were non-trade related, unsecured, interest free and receivable on demand. As at the LPD, we do not have any amount owing by any related parties.

(7) In the FYE 2019, the amount owing by Springbok Consulting Sdn Bhd was settled in full in FYE 2019 via repayment to Rams Malaysia amounting to RM0.02 million and the remaining amounts settled by Tan Chee Seng on behalf of Springbok Consulting Sdn Bhd.

(8) On 2 June 2020, Tan Chee Seng and Lee Miew Lan has transferred their entire equity interest in Feets Malaysia to Wong Kum Loong, a substantial shareholder of our Company at RM1.00 per share as he saw potential growth in the employee engagement mobile application, Feet's. The consideration of RM1.00 per share of Feets Malaysia was arrived at based on the negative equity position of Feets Malaysia since incorporation. As at the LPD, Tan Chee Seng and Lee Miew Lan are directors of Feets Malaysia.

(9) Rams Malaysia provided management services to Feets Malaysia in relation to the mobile application development of Feet's. This transaction was made at arm's length as it was based on rate of man days which is within the range of rates we would normally charge our clients.

(10) This transaction comprises of work done performed by independent third parties appointed by Rams Malaysia and staff of Rams Malaysia. However, the staff salaries of Rams Malaysia which was incurred and charged back to Feets Malaysia was not entered into at arm's length as Rams Malaysia did not charge a mark-up over the staff salaries.

(11) These advances to and repayment from Tan Chee Seng and Lee Miew Lan were not made on arm's length basis as they were interest-free, unsecured and receivable on demand. As at the LPD, these advances were fully paid by Tan Chee Seng and Lee Miew Lan. Moving forward, our Group will not be providing any such advances including loans and guarantees of any kind to our Directors or for benefit of their related parties.

9. RELATED PARTY TRANSACTIONS *(CONT'D)*

(12) Other than the amount owing by our Directors of RM0.55 million in the FYE 2017 and RM0.06 million in the FYE 2018, there was no other amount owing by our Directors of our Group. These amount relates to the advances to our Directors and have been settled in full during the FYE 2019. These amount are non-trade related, unsecured, interest free and receivable on demand. As at the LPD, we do not have any amount owing by any of our Directors. These amount have been settled in full during the FYE 2019 via repayment from Directors and declaration of dividends to Tan Chee Seng for the FYE 2018 and FYE 2019 respectively. Nonetheless, the advances to Lee Miew Lan was offset against amount owing to Lee Miew Lan from FYE 2016 by Rams Malaysia and the repayment from Lee Miew Lan to Rams Singapore was for the settlement of the outstanding amounts from FYE 2016.

(13) Nguyen Dinh Minh ceased to be a director and shareholder of Rams Malaysia on 9 June 2017 and 6 June 2018 respectively. He ceased to be a director and shareholder of Rams Singapore on 1 July 2017 and 1 April 2019 respectively. The advance to and repayment from Nguyen Dinh Minh were not made on arm's length basis as they were interest-free, unsecured and receivable on demand. As at the LPD, the advance has been fully paid by Nguyen Dinh Minh.

9.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

Our Directors have confirmed that there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Company and / or any of our Subsidiaries was a party in the Financial Years Under Review and from the subsequent financial period up to the LPD.

(The rest of this page is intentionally left blank)

9.3 LOANS AND / OR FINANCIAL ASSISTANCE TO OR FOR THE BENEFIT OF RELATED PARTIES

9.3.1 Outstanding loans and / or balances

Save as disclosed below and in Section 9.1.1 of this Prospectus, our Directors have confirmed that there are no outstanding loans (including guarantees of any kind) and financial assistance that have been granted by our Company and / or any of our subsidiaries to or for the benefit of the related parties for the Financial Years Under Review and from the subsequent financial period up to the LPD.

						Transaction Value (RM'000)				
No.	**Transacting parties**	**Interested Promoter / Substantial Shareholder / Director**	**Interest in Our Group**	**Nature of Interest in Related Party**	**Nature of transaction**	**FYE 2017**	**FYE 2018**	**FYE 2019**	**FYE 2020**	**Up to the LPD**
(i)	Rams Malaysia	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances from Directors [(1)]	-	-	1,786 / 915.90% of our NL	-	[(2)] -
(ii)	Rams Malaysia	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment to Directors [(1)]	5 / 0.17% of our NA	-	185 / 94.87% of our NL	1,963 / 29% of our NA	[(2)] -
(iii)	Rams Thailand	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances from Directors [(1)]	-	-	300 / 153.85% of our NL	-	[(2)] -
(iv)	Rams Thailand	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment to Directors [(1)]	-	-	1,030 / 528.21% of our NL	152 / 2.25% of our NA	[(2)] -

Notes:

(1) These advances from and repayments to Tan Chee Seng were not made on arm's length basis as they were interest-free, unsecured and repayable on demand. As at the LPD, there are no amounts owing to Tan Chee Seng from Rams Malaysia and from Rams Thailand. Moving forward, our Group will not be providing any such advances including loans and guarantees of any kind to our Directors or for benefit of their related parties.

9. RELATED PARTY TRANSACTIONS *(CONT'D)*

(2) Other than the amount owing to our Director of RM0.03 million both in the FYE 2017 and FYE 2018, and RM2.12 million in the FYE 2019, there were no other amount owing to our Director of our Group. These amount are non-trade related, unsecured, interest free and repayable on demand. As at the LPD, there are no amounts owing to a director.

These non-trade related party balances under Sections 9.3.1 and 9.3.2 of this Prospectus were not made on an arm's length basis as it does not carry interest. Moving forward, our Group will not provide any non-trade related advances to our Directors and related parties.

9.3.2 Guarantees

Tan Chee Seng and Lee Miew Lan had extended personal guarantees for financing facilities granted to our Group, of which further details are set out in Section 12.3.4 of this Prospectus. We had sought consent from our financiers for the change in the shareholdings of Rams Malaysia in conjunction with the Acquisition and our Listing. Our financiers had granted their consent with the condition that the personal guarantees provided by Tan Chee Seng and Lee Miew Lan are to be replaced with corporate guarantee(s) by Ramssol. We have executed the necessary documents with respect to the provision of corporate guarantee(s) and have provided the same to our financiers. As at the LPD, our financiers are in the process of replacing the personal guarantees with corporate guarantee(s), which is subject to the success of our Listing. Save for Tan Chee Seng and Lee Miew Lan, none of our other Directors have provided any guarantees for any financing facilities of our Group.

(The rest of this page is intentionally left blank)

9. RELATED PARTY TRANSACTIONS *(CONT'D)*

9.4 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

Upon Listing, our Board, through our Audit Committee, will ensure that any related party transactions (inclusive of recurrent related party transactions) are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not detrimental to our Group.

Our Audit Committee will supervise the terms of related party transactions and our Directors will report related party transactions, if any, annually in our Company's annual report. In the event there are any proposed related party transactions that involve the interest, direct or indirect, of our Directors, the interested Director(s) shall disclose his / her interest to our Board, of the details of the nature and extent of his / her interest, including all matters in relation to the proposed related party transactions that he / she is aware or should reasonably be aware of, which is not in our best interests. The interested Director(s) shall also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related party transactions.

In the event there are any proposed related party transactions that require the prior approval of shareholders, the Directors, major shareholders and / or persons connected with a Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and / or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his / her direct and / or indirect shareholdings. Such interested Directors and / or major shareholders will also undertake that he / she shall ensure that the persons connected with him / her will abstain from voting on the resolution approving the proposed related party transaction at the general meeting to be convened.

After our Listing and in accordance with the Listing Requirements, our Company will be required to seek shareholders' approval each time our Group enters into material related party transactions. However, if a related party transaction is deemed as a recurrent related party transaction, our Company may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time it wishes to enter into such related party transactions during the validity period of the mandate.

(The rest of this page is intentionally left blank)

10. CONFLICT OF INTEREST

10.1 INTEREST IN SIMILAR BUSINESS OR CONFLICT OF INTEREST

As at the LPD, none of our Directors and / or substantial shareholders have any interest, whether direct or indirect, in other businesses or corporations which are carrying on a similar trade to that of our Group or which are the customers and / or suppliers of our Group save and except as disclosed below:

Name of customers	Principal activities	Nature of interest
Top Quality Glove Sdn Bhd ("**TQGSB**")	Manufacturing and trading of gloves, rubber products and cast polyethylene products	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of TQGSB (by virtue of his shareholdings in Top Glove Corporation Bhd) (1) and TQGSB is a customer of Feets Malaysia
Top Glove Sdn Bhd ("**TGSB**")	Manufacturing and trading of gloves	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of TGSB (by virtue of his shareholdings in Top Glove Corporation Bhd) (1) and TGSB is a customer of Feets Malaysia
Top Glove International Sdn Bhd ("**TGISB**")	• R&D on gloves and rubber goods; • Manufacturing and trading of gloves; and • Provision of analytical services	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of TGISB (by virtue of his indirect shareholdings in TGSB via Top Glove Corporation Bhd) (1) and TGISB is a customer of Feets Malaysia
TG Medical Sdn Bhd ("**TGMSB**")	Manufacturing and trading of examination, surgical and nitrile gloves, general trading and investment holding	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of TGMSB (by virtue of his shareholdings in Top Glove Corporation Bhd) (1) and TGMSB is a customer of Feets Malaysia
Flexitech Sdn Bhd ("**FSB**")	Manufacturing of gloves, general trading, and property investment	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of FSB (by virtue of his indirect shareholdings in TGSB via Top Glove Corporation Bhd) (1) and FSB is a customer of Feets Malaysia

Note:

(1) As at the LPD, the shareholdings of Tan Sri Dr Lim Wee Chai in Top Glove Corporation Bhd is tabulated as follows:

Direct		*Indirect*	
No. of shares	***%***	***No. of shares***	***%***
2,147,856,156	*26.83*	**680,191,448*	*8.50*

* *Deemed interested through his wife, Puan Sri Tong Siew Bee, his brother, Mr Lim Hooi Sin, his son, Mr Lim Jin Feng, his direct interest in Firstway United Corp, of being the spouse of Puan Sri Tong Siew Bee who has direct interest in Top Fortress Ventures Limited and his direct interest in TS Dr Lim WC (L) Foundation.*

10. CONFLICT OF INTEREST *(CONT'D)*

Our Board is of the view that the above interests do not give rise to a conflict of interest situation on the following basis:

(i) Tan Sri Dr Lim Wee Chai is an investor in our Company and he has no board representation on our Group and / or is involved in our management and operation; and

(ii) the pricing of the products and services offered by our Group to Top Glove Corporation Bhd's group of companies are on arms-length basis.

10.2 MONITORING AND OVERSIGHT OF CONFLICT OF INTEREST

Upon Listing, our Board, our Audit Committee and Risk Management Committee will supervise any conflict of interest or potential conflict of interest situations and all Directors, substantial shareholders and key senior management will disclose such conflict of interest situations, if any, to our Audit Committee and Risk Management Committee for resolution as and when they arise.

In order to mitigate any possible conflict of interest situation, our Directors, substantial shareholders and key senior management will declare to our Board, our Audit Committee and Risk Management Committee of their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Audit Committee and Risk Management Committee will then evaluate if such involvement by our Directors, substantial shareholders and key senior management gives rise to a potential conflict of interest situation with our Group's business. When a determination has been made that there is a conflict of interest of a Director(s), substantial shareholder(s) and / or key senior management, our Audit Committee and Risk Management Committee will:

(i) immediately inform our Board of the conflict of interest situation; and

(ii) make recommendations to our Board to direct the conflicted Director(s), substantial shareholder(s) and / or key senior management to:

   (a) withdraw from all his / her executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director and / or substantial shareholder is an Executive Director). After his withdrawal, he / she will remain in the said executive position to perform his / her executive role in matters that will not give rise to conflict of interest situation; and

   (b) abstain from all Board deliberation and involvements in matters where he / she has a conflict of interest situation. The conflicted Director(s) shall also abstain from any Board discussions relating to the recommendation of our Audit Committee and Risk Management Committee and the conflicted Director shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director(s) may however, at the request of our Audit Committee and Risk Management Committee, be present at our meeting for the purposes of answering any questions. The conflicted Director(s) shall also abstain from voting in respect of his / her direct / indirect shareholdings in our Company, if any, on the resolutions pertaining to the said transactions to be tabled at the general meeting to be convened.

   In circumstances where a Director is deemed to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his / her fiduciary duties and responsibilities to our Group, our Nomination Committee may determine if the resignation of the conflicted Director from our Board will be appropriate and necessary.

(iii) to identify the person(s) connected to the conflicted Director, substantial shareholder and / or key senior management (if any) and review any business dealings with such person(s) to establish whether a conflict of interest situation arises. Thereafter, the conflicted Director, substantial shareholder and / or key senior management shall undertake to ensure that persons connected to him / her shall abstain from voting in respect of their direct / indirect shareholdings in our Company, if any, on the resolutions pertaining to the said transactions to be tabled at the general meeting to be convened. The Audit Committee and Risk Management Committee shall also continue to monitor such business dealings to ensure that they are conducted on arms' length basis and based on terms that are favourable to our Group.

10.3 DECLARATION BY EXPERTS

10.3.1 Declaration by Kenanga IB

Kenanga IB confirms that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO.

10.3.2 Declaration by Chooi & Company + Cheang & Ariff

Chooi & Company + Cheang & Ariff confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors for our IPO.

10.3.3 Declaration by Crowe Malaysia PLT

Crowe Malaysia PLT confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO.

10.3.4 Declaration by Smith Zander International Sdn Bhd

Smith Zander International Sdn Bhd confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our IPO.

(The rest of this page is intentionally left blank)

11. APPROVALS AND CONDITIONS

11.1 APPROVALS FROM RELEVANT AUTHORITIES

11.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 9 April 2021, approved:

(i) the admission of our Company to the Official List of the ACE Market of Bursa Securities;

(ii) the listing of and quotation for our entire enlarged issued share capital on the ACE Market; and

(iii) the Company's application from complying with Paragraph 3.12(2) of the ACE Market Listing Requirements for the conversion price of the Class A RCPS.

The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the promoters to Bursa Depository (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares.	To be complied before Listing
2.	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
3.	Make the relevant announcements pursuant to Paragraph 8.1 and 8.2 of Guidance Notes 15 of ACE Listing Requirements;	To be complied before Listing
4.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the share spread requirements based on the entire enlarged issued share capital of Ramssol on the first day of listing;	To be complied upon Listing
5.	Ensure any director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to the listing of the Company;	Complied
6.	In relation to the public offering to be undertaken by Ramssol, to announce at least 2 market days prior to the listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment / allocation; (iii) A table showing the distribution for placement tranche as per the format in Appendix I of Bursa Securities' approval letter; and (iv) Disclosure of placees who become substantial shareholders of Ramssol arising from the public offering, if any.	To be complied before Listing

	Kenanga IB to ensure that the overall distribution of Ramssol's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	
7.	Ramssol / Kenanga IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon admission of Ramssol to the Official List.	To be complied upon Listing

11.1.2 SC

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 10 May 2021, approved the resultant equity structure of our Company pursuant to our Listing under the equity requirement for public listed companies.

The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Ramssol to allocate at least 12.5% of its enlarged issued share capital to Bumiputera investors to be approved by Ministry of International Trade and Industry Malaysia within one (1) year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Malaysia Securities Berhad or five (5) years after being listed on the ACE Market of Bursa Malaysia Securities Berhad, whichever is earlier ("**Compliance Date**");	To be complied
2.	Ramssol to submit to the SC a proposal to comply with the equity condition stated in paragraph 1 above, at least six (6) months prior to the Compliance Date; and	To be complied
3.	Kenanga Investment Bank Berhad or Ramssol to submit Ramssol's equity structure to the SC upon completion of the Listing.	To be complied

11.2 MORATORIUM ON SALE OF SHARES

In compliance with Rule 3.19 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:

(i) the moratorium applies to our Promoters' entire shareholdings for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");

(ii) upon the expiry of the First 6-Month Moratorium, the Promoters' aggregate shareholdings amounting to at least 45.0% of our enlarged issued share capital remain under moratorium for a further 6 months ("**Second 6-Month Moratorium**"); and

(iii) upon the expiry of the Second 6-Month Moratorium, our Promoters may sell, transfer or assign up to a maximum of one-third (1 / 3) per annum (on a straight-line basis) of their Shares held under moratorium.

11. APPROVALS AND CONDITIONS *(CONT'D)*

Details of our Shares which will be subject to moratorium are as follows:

	(First 6-Month Moratorium)		(Second 6-Month Moratorium)	
Name	**No. of Shares held**	**% of enlarged issued share capital (1)**	**No. of Shares held**	**% of enlarged issued share capital (1)**
Tan Chee Seng	74,185,597	33.26	65,331,113	29.29
Lee Miew Lan	39,791,398	17.84	35,042,062	15.71
Tan Eng Hua (2)	223,600	0.10	223,600	0.10
Ong Bee Geok (2)	223,600	0.10	223,600	0.10
Tan Chee Boon (2)	223,600	0.10	223,600	0.10
Lee Mun Keong (2)	223,600	0.10	223,600	0.10
Chan Kwai Chee (2)	223,600	0.10	223,600	0.10
Lai Wai Fun (2)	447,200	0.20	447,200	0.20
Total	115,542,195	51.80	101,938,375	45.70

Notes:

(1) Based on the enlarged issued share capital of 223,051,500 Shares after our IPO.

(2) Related Parties are subject to 12 months moratorium period as stated in the RCPS subscription agreements entered into between our Company and the Related Parties.

In addition to the moratorium to be complied by the Promoters, Wong Kum Loong, Liew Yu Hoe and the Pre-IPO Investors (except the Related Parties) are also subject to voluntary moratorium for a period of 12 months from the Listing Date ("**First 1-year Moratorium**")

Details of our Shares which will be subject to voluntary moratorium are as follows:

	(First 1-Year Moratorium)	
Name	**No. of Shares held**	**% of enlarged issued share capital (1)**
Wong Kum Loong	8,853,600	3.97
Liew Yu Hoe	3,645,405	1.63
Pre-IPO Investors (except the Related Parties) (2)	16,946,300	7.60
Total	29,445,305	13.20

Notes:

(1) Based on the enlarged issued share capital of 223,051,500 Shares after our IPO.

(2) 32 individuals comprising 25 Class A RCPS holders which have subscribed between 15,000 Class A RCPS to 2,000,000 Class A RCPS and 7 Class B RCPS holders which have subscribed between 30,000 Class B RCPS to 130,000 Class B RCPS.

Tan Chee Seng, Lee Miew Lan and the Related Parties have provided written undertakings to Bursa Securities that they will not sell, transfer or assign any part of their interest in the Shares during the moratorium period. However, the moratorium imposed on the Pre-IPO Investors have already been included in the RCPS subscription agreements entered into between our Company and the Pre-IPO Investors, respectively.

The above moratorium restriction is specifically endorsed on the share certificates representing the Shares held by our Promoters which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes the aforesaid restriction.

12.1 REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION

Crowe

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia
Main +6 03 2788 9999
Fax +6 03 2788 9998

3 1 MAY 2021

The Board of Directors
Ramssol Group Berhad
B-04-05, Tamarind Square,
Persiaran Multimedia, Cyber 10,
63000 Cyberjaya, Selangor.

Dear Sirs

RAMSSOL GROUP BERHAD. ("THE COMPANY" OR "RAMSSOL")
REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

We have completed our assurance engagement to report on the compilation of pro forma statements of financial position of Ramssol Group Berhad and its combining entity, Rams Solutions Sdn. Bhd. and its subsidiaries (collectively known as "the Group") as at 31 December 2020 prepared by the Board of Directors of the Company. The pro forma statements of financial position as at 31 December 2020 for the financial year then ended together with the accompanying notes thereon as set out in Appendix A, for which we have stamped for the purpose of identification. The pro forma statements of financial position and related notes have been compiled for inclusion in the prospectus of Ramssol, in connection with its listing of and quotation for the entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

The applicable criteria on the basis of which the Board of Directors of Ramssol have compiled the pro forma statements of financial position are set out in Note 2 of Appendix A, and are in accordance with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The pro forma statements of financial position have been compiled by the Board of Directors to illustrate the effects of the events or transactions as set out in Note 2.3 of Appendix A of this letter on the Group's financial position as at 31 December 2020.

As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the audited combined financial statements of the Group for the financial year ended 31 December 2020.

THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the pro forma statements of financial position on the basis as described in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines.

Crowe

REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirement of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standard Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* issued by The International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines issued by the Securities Commission Malaysia, about whether the pro forma statements of financial position have been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in Note 2 of Appendix A of the pro forma statements of financial position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma statements of financial position on the basis as described in Note 2 of Appendix A in the pro forma statements of financial position and in accordance with the requirements of the Prospectus Guidelines.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma statements of financial position.

The purpose of pro forma statements of financial position included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma statements of financial position has been compiled, in all material respects, on the basis as set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

Crowe

REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma financial information have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the pro forma statements of financial positions of the Group have been compiled, in all material respects, on the basis as set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTERS

This letter has been prepared solely for the purpose of inclusion in the Prospectus of Ramssol in connection with the Listing. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ho Yen Ling
03378/06/2022 J
Chartered Accountant

Kuala Lumpur

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

1. ABBREVIATION

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:-

Acquisition	:	Acquisition by Ramssol of the entire equity interest in Rams Malaysia
Bursa Securities	:	Bursa Malaysia Securities Berhad
Company or Ramssol	:	Ramssol Group Berhad [Registration No: 201901001120 (1310446-A)]
FYE 2020	:	Financial year ended 31 December 2020
Feets Indonesia	:	PT Feets Tech Indo (AHU-0010575.AH.01.11.Tahun 2019)
Feets Malaysia	:	Feets Sdn. Bhd. [Registration No. 201701021208 (1235374-D)]
Group	:	Ramssol, Rams Malaysia and Subsidiaries
IPO	:	Initial public offering comprising the Public Issue and the Offer for Sale, collectively
IPO Price	:	The issue price/offer price of RM0.45 per Issue Share/Offer Share
Issue Share(s)	:	55,760,000 new Ramssol Share(s) to be issued at the IPO Price pursuant to the Public Issue
LPD	:	24 May 2021, being the latest practicable date prior to the registration of the Prospectus with the SC
NA	:	Net assets
Offer Share(s)	:	22,304,000 existing Ramssol Share(s) to be offered at the IPO Price by the Selling Shareholders pursuant to the Offer for Sale
Listing	:	Admission to the Official List and the listing and quotation of the entire enlarged issued share capital of Ramssol on the ACE Market of Bursa Securities
Promoters	:	Tan Chee Seng, Lee Miew Lan and the Related Parties
Public Issue	:	The invitation by the Company to the public to subscribe for the Public Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of the Prospectus.

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

1. ABBREVIATION (CONT'D)

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):-

Public Issue Shares	:	Public issue of 55,760,000 Issue Shares at the IPO Price comprising the following: (a) 11,200,000 new shares available for application by the Malaysian public; (b) 5,600,000 new shares available for application by eligible Directors, employees and business associates of the Group; and (c) 38,960,000 new shares available for private placement to selected investors.
Rams Indonesia	:	PT RAMS Solutions Nusanatara (AHU.0010582.AH.01.11.Tahun 2019)
Rams Malaysia	:	RAMS Solutions Sdn. Bhd. [Registration No. 201001027162 (911081-K)]
Rams Malaysia Group	:	RAMS Solutions Sdn. Bhd. and its subsidiaries
Rams Singapore	:	Risorsa Umana Solutions Pte Ltd (201020340N)
Rams Thailand	:	RAMS Solutions Co., Ltd (0105558028423)
Rams Vietnam	:	Risorsa Umana Solutions Vietnam Company Limited (0312238022)

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

1. ABBREVIATION (CONT'D)

Related Parties : The following holders of Class B RCPS whom are persons connected to Tan Chee Seng and Lee Miew Lan:

Name	Relationship	Number of Shares upon Conversion of Class B RCPS and after subdivision of shares
Tan Eng Hua	Father of Tan Chee Seng	223,600
Ong Bee Geok	Mother of Tan Chee Seng	223,600
Tan Chee Boon	Brother of Tan Chee Seng	223,600
Lee Mun Keong	Father of Lee Miew Lan	223,600
Chan Kwai Chee	Mother of Lee Miew Lan	223,600
Lai Wai Fun	Sister-in-law of Lee Miew Lan	447,200

RCPS : Redeemable Convertible Preference Shares

SC : Securities Commission of Malaysia

Selling Shareholder(s) : Collectively, Tan Chee Seng, Lee Miew Lan, Wong Kum Loong, and Liew Yu Hoe undertaking the Offer for Sale

Share(s) or Ramssol Share(s) : Ordinary shares in the Company

Subsidiaries : Rams Singapore, Rams Thailand, Rams Indonesia, Rams Vietnam, Feets Malaysia and Feets Indonesia collectively.

(The rest of this page is intentionally left blank)

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

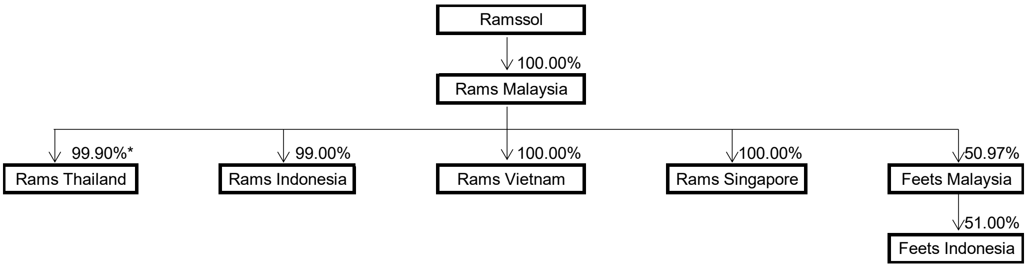
APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2. PRO FORMA GROUP AND BASIS OF PREPARATION

2.1 Pro Forma Group

The pro forma corporate structure of the Group, pursuant to the completion of the Acquisition and Rams Malaysia in becoming a wholly-owned subsidiary of the Company, is as follows:-



* Pursuant to the laws of Thailand, it is a requirement that the majority shareholdings of a company incorporated in Thailand shall be held by a Thai shareholder and that it has at least 3 shareholders. As such, this requirement has been complied with by Rams Thailand as 51% of the equity interest in the form of preference shares in Rams Thailand is currently held by Narathip Phopikul, a Thai national, as set out below:-

Shareholders	Number of shares	%	Rights to dividend	Dividend entitlement (%)
Ordinary Shares				
Rams Malaysia	9,600	48.00	THB1 per 1 share	97.90
Tan Chee Seng	200	1.00	THB1 per 1 share	2.00
Preference Shares				
Narathip Phopikul	10,200	51.00	THB1 per 1,000 preference shares	0.10
Total	**20,000**	**100.00**		**100.00**

Based on the shareholders' rights to dividend as set out in Articles 6 of the Articles of Association of Rams Thailand, Narathip Phopikul is entitled to receive a dividend of THB 1 for every 1,000 preference shares held, whereas Rams Malaysia and Tan Chee Seng are entitled to receive a dividend of THB 1 for every 1 ordinary share held. Further, Tan Chee Seng has also assigned his rights to dividend in Rams Thailand to Rams Malaysia. Accordingly, Narathip Phopikul is only entitled to 0.10% of the dividends to be declared by Rams Thailand, whilst Rams Malaysia (including Tan Chee Seng's assigned dividends) is entitled to 99.90% of the dividends to be declared by Rams Thailand.

2.2 Basis of Preparation

The Pro Forma Statements of Financial Position of the Group have been prepared for illustration purposes using the audited combined financial statements of the Group as at 31 December 2020 which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRS") and are not subject to any qualification, modification or disclaimer.

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

2.2 Basis of Preparation (Cont'd)

The combined financial statements of the Group for the financial year ended 31 December 2020 are the combination or aggregation of all the financial statements of the company in the Group and have been prepared based on the separate financial statements as follows:-

Company	Accounting Standards Applied	Auditor
Ramssol	MFRSs	Crowe Malaysia PLT
Rams Malaysia	MFRSs	Crowe Malaysia PLT
Rams Singapore	IFRSs	Crowe Malaysia PLT
Rams Vietnam	IFRSs	Crowe Vietnam Co., Ltd
Rams Thailand	IFRSs	ANS Audit Co., Ltd
Feets Malaysia	MFRSs	Crowe Malaysia PLT
Rams Indonesia	Indonesian Financial Accounting Standards	Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan
Feets Indonesia	Indonesian Financial Accounting Standards	Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan

Note:

MFRSs = Malaysian Financial Reporting Standards
IFRSs = International Financial Reporting Standards

The Pro Forma Statements of Financial Position of the Group have also been compiled in a manner consistent with both the format of the audited financial statements and accounting policies of the Group for the financial year ended 31 December 2020.

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

2.2 Basis of Preparation (Cont'd)

The financial position of Ramssol and Rams Malaysia Group uses the merger method as these companies are under common control by the same parties both before and after the acquisition of Rams Malaysia, and control is not transitory. When the merger method is used, the difference between the cost of investment recorded by Ramssol and the share capital of Rams Malaysia is accounted for as a merger deficit in the Pro Forma Statements of Financial Position, as follows:-

	RM'000
New shares issued by the Company as consideration for the acquisition of Rams Malaysia	1,313
Less: Issued and paid-up share capital of Rams Malaysia as at 31 December 2020	(500)
Merger deficit impact	813

2.3 Listing Scheme

In conjunction with the Listing, the Company undertook the following:-

2.3.1 Acquisition

On 18 August 2020, the Company entered into a conditional Share Sale Agreement ("SSA") with the shareholders of Rams Malaysia to acquire the entire issued share capital of Rams Malaysia comprising 500,001 ordinary shares for a purchase consideration of RM1,313,070 which was fully satisfied by the issuance of new shares at an issue price of approximately RM0.3806 per Share. Upon acquisition, shares of the Company will increase from 10,000 to 3,460,000 number of shares.

The purchase consideration of Rams Malaysia of RM1,313,070 was arrived at on a willing-buyer-willing-seller basis, after taking into consideration the audited NA position of Rams Malaysia as at 31 December 2019 of RM1,313,256.

On 17 May 2021, the Company has completed the Acquisition and Rams Malaysia became a wholly-owned subsidiary of the Company. The issued shares of the Company increased from 10,000 ordinary shares to 3,460,000 ordinary shares.

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2 PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

2.3 Listing Scheme (Cont'd)

In conjunction with the Listing, the Company undertook the following (Cont'd):-

2.3.2 Conversion of RCPS

The RCPS comprises of:

(i) 3,553,000 Class A RCPS which are offered to the business associates of Tan Chee Seng, Lee Miew Lan and the Group with a subscription price of RM1.00 per Class A RCPS. The Class A RCPS will be converted into new Shares at a conversion ratio of 100 Class A RCPS for 10 new Shares.

(ii) 940,000 Class B RCPS that were issued by Ramssol to the Related Parties and other parties at a subscription price of RM1.00 per Class B RCPS. The Class B RCPS will be converted into new Shares at a conversion ratio of 100 Class B RCPS for 8 new Shares.

Included in the RCPS agreements entered by the respective parties with the Company between June 2019 to April 2020, a redemption clause is stated as follow:-

(a) No Listing

In the event that there is no Listing within the two (2) years from the date of issuance of the RCPS, the holder of the RCPS shall be entitled the Company to redeem, subject to compliance with applicable laws, all the outstanding RCPS at the subscription price for each RCPS together with an internal rate of return of 10% via cash consideration.

(b) Listing cancelled by the Company

In the event the Company elects to cancel or withdraw the listing, at any time within the two (2) years from the date of issuance of the RCPS, the holder of the RCPS shall be entitled the Company to redeem, subject to compliance with applicable laws, all the outstanding RCPS at the subscription price for each RCPS together with an internal rate of return of 10% via cash consideration.

On 21 May 2021, the Company has converted the RCPS into new ordinary shares. Based on the conversion, a recognition of the accrued interest up to 21 May 2021 had been reflected into the Pro Forma II. Following the completion of the conversion of RCPS, the issued share capital has increased from 3,460,000 Shares to 3,890,500 Shares.

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2 PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

2.3 Listing Scheme (Cont'd)

In conjunction with the Listing, the Company undertook the following (Cont'd):-

2.3.3 Subdivision of Shares

On 24 May 2021, the Company has completed its subdivision of issued shares for 1 existing ordinary share held by the registered shareholders into 43 new ordinary shares. The issued shares of the Company has increased from 3,890,500 ordinary shares to 167,291,500 ordinary shares.

2.3.4 IPO

(i) Public Issue

Public issue of 55,760,000 Issue Shares, representing 25.00% of the enlarged total number of Shares, at the IPO Price, to be allocated in the following manner:-

(a) 11,200,000 Issue shares, representing 5.02% of the enlarged total number of Shares, will be made available for application by the Malaysian public through a balloting process, of which 50.00% will be set aside for Bumiputera investors;

(b) 5,600,000 Issue shares, representing 2.51% of the enlarged total number of Shares, will be made available for application by the eligible Directors, employees and business associates of the Group; and

(c) 38,960,000 Issue shares, representing 17.47% of the enlarged total number of Shares, are made available for application by way of private placement to selected investors.

(ii) Offer for Sale

Concurrent with the Public Issue, the Selling Shareholders will offer 22,304,000 Offer Shares representing approximately 10.00% of the enlarged issued share capital by way of private placement to selected investors.

Upon completion of the Public Issue and Offer for Sale and before deducting the estimated listing expenses directly attributable to the issuance of new shares of RM1,990,000, the share capital will increase from RM6,220,234 comprising 167,291,500 Shares to RM31,312,234 comprising 223,051,500 Shares.

2.3.5 Listing

The Company shall be admitted to the official list and the entire enlarged share capital of approximately RM29,322,234 (after deducting the estimated listing expenses directly attributable to the issuance of new shares of RM1,990,000) comprising 223,051,500 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

3. PRO FORMA STATEMENTS OF FINANCIAL POSITION OF RAMSSOL AS AT 31 DECEMBER 2020

	Note	As at 31 December 2020^	Pro Forma I After Acquisition	Pro Forma II Upon RCPS conversion	Pro Forma III After Subdivision of Shares	Pro Forma IV After Public Issue	Pro Forma V After Utilisation of IPO Proceeds
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS							
NON-CURRENT ASSETS							
Property and equipment	5.1	1,296	1,296	1,296	1,296	1,296	2,478
Investment property		768	768	768	768	768	768
Right-of-use assets		623	623	623	623	623	623
Development costs		725	725	725	725	725	725
		3,412	3,412	3,412	3,412	3,412	4,594
CURRENT ASSETS							
Inventories		240	240	240	240	240	240
Trade receivables		11,579	11,579	11,579	11,579	11,579	11,579
Other receivables, deposits and prepayments	5.2	1,666	1,666	1,666	1,666	1,666	865
Current tax assets		14	14	14	14	14	14
Cash and bank balances	5.3	2,844	2,844	2,844	2,844	27,936	11,351
		16,343	16,343	16,343	16,343	41,435	24,049
TOTAL ASSETS		19,755	19,755	19,755	19,755	44,847	28,643
EQUITY AND LIABILITIES							
EQUITY							
Share capital	5.4	510	1,323	6,220	6,220	31,312	29,322
Merger deficit	5.5	(260)	(1,073)	(1,073)	(1,073)	(1,073)	(1,073)
Foreign exchange translation reserve		246	246	246	246	246	246
Retained profits/(Accumulated loss)	5.6	8,326	8,326	8,166	8,166	8,166	(4,719)
Equity attributable to owners of the Company		8,822	8,822	13,559	13,559	38,651	23,776
Non-controlling interests		(2,055)	(2,055)	(2,055)	(2,055)	(2,055)	(2,055)
TOTAL EQUITY		6,767	6,767	11,504	11,504	36,596	21,721

^ Extracted from the Group's audited combined financial statements for the FYE 31 December 2020

APPENDIX A

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

3. PRO FORMA STATEMENTS OF FINANCIAL POSITION OF RAMSSOL AS AT 31 DECEMBER 2020 (CONT'D)

	Note	As at 31 December 2020^	Pro Forma I After Acquisition	Pro Forma II Upon RCPS conversion	Pro Forma III After Subdivision of Shares	Pro Forma IV After Public Issue	Pro Forma V After Utilisation of IPO Proceeds
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT LIABILITIES							
Lease liabilities		151	151	151	151	151	151
Term loans		1,758	1,758	1,758	1,758	1,758	1,758
Provision for employee benefits obligations		82	82	82	82	82	82
RCPS	5.7	4,737	4,737	-	-	-	-
		6,728	6,728	1,991	1,991	1,991	1,991
CURRENT LIABILITIES							
Trade payables		593	593	593	593	593	593
Other payables and accruals	5.8	3,424	3,424	3,424	3,424	3,424	2,095
Lease liabilities		341	341	341	341	341	341
Term loans		367	367	367	367	367	367
Short-term borrowings		1,203	1,203	1,203	1,203	1,203	1,203
Contract liabilities		136	136	136	136	136	136
Current tax liabilities		196	196	196	196	196	196
		6,260	6,260	6,260	6,260	6,260	4,931
TOTAL LIABILITIES		12,988	12,988	8,251	8,251	8,251	6,922
TOTAL EQUITY AND LIABILITIES		19,755	19,755	19,755	19,755	44,847	28,643
Number of ordinary shares ('000)	5.4	510	3,460	3,891	167,292	223,052	223,052
Total Equity/NA (RM'000)		6,767	6,767	11,504	11,504	36,596	21,721
Total Equity/NA (RM'000) (Owner's portion)		8,822	8,822	13,559	13,559	38,651	23,776
NA per share (RM)		13.27	1.96	2.96	0.07	0.16	0.10
NA per share (RM) (Owner's portion)		17.30	2.55	3.49	0.08	0.17	0.11

^ Extracted from the Group's audited combined financial statements for the FYE 31 December 2020

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

The pro forma statements of financial position as at 31 December 2020 has been prepared solely for illustrative purposes only to show the effects of the following transactions based on the assumptions that they had been effected on 31 December 2020:

4.1 Pro Forma I

Pro Forma I incorporates the effects of the acquisition of Rams Malaysia as set out in Section 2.3.1 above.

4.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the effects of the RCPS conversion as set out in Section 2.3.2 above.

4.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the effects of subdivision of shares as set out in Section 2.3.3 above.

4.4 Pro Forma IV

Pro Forma IV incorporates the effects of Pro Forma III, the Public Issue and the Offer for Sale as set out in Section 2.3.4 above.

4.5 Pro Forma V

Pro Forma V incorporates the cumulative effects of Pro Forma IV and the utilisation of the proceeds from the Public Issue.

4.5.1 Utilisation of Proceeds

The proceeds from the Public Issue as stated in the prospectus in relation to the IPO, will be utilised as follows:-

Details of the utilisation of proceeds	Amount of proceeds		Estimated time frame for utilisation from the date of our Listing
	RM'000	%	
Business expansion (1)	8,851	35.27	Within 24 months
Research and development expenditure (2)	4,101	16.34	Within 24 months
Working capital	7,560	30.14	Within 24 months
Estimated listing expenses (3)	4,580	18.25	Within 1 month
Total	25,092	100.00	

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

4.5 Pro Forma V (Cont'd)

4.5.1 Utilisation of Proceeds (Cont'd)

Notes to the Utilisation of Proceeds

	RM'000
Business expansion into the Philippines:	
- Rental of office	227
- Payroll expenses	1,484
*- Purchase of office equipment **	65
- Advertising and marketing	727
Expansion of Feet's and Lark in Southeast Asia	
- Payroll expenses (a)	2,983
- Advertising and marketing	3,239
- Localisation of Feet's	126
Total	8,851

(a) As at the latest practicable date of the prospectus of 24 May 2021, the Group has hired a total of 6 sales and marketing personnel in Malaysia and 2 sales and marketing personnel in Vietnam. Prior to the Listing, the payroll expenses of these hired employees are funded by internally generated funds. After the Listing, the Group will be utilising the allocated gross proceeds to meet the payroll expenses of 6 of the existing hired sales and marketing personnel in Malaysia and 2 of the existing hired sales and marketing personnel in Vietnam over a period of 24 months. The Group will hire the sales and marketing team for Singapore, Thailand and Indonesia after the Listing.

(1) As at the latest practicable date of the prospectus of 24 May 2021, none of the total utilisation of proceeds for business expansion were supportable by any purchase orders, sales and purchase agreements or contractual binding agreements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for business expansion of RM8.85 million to be raised from the Public Issue in the Pro Forma Statements of Financial Position.

	RM'000
Enhancement of Feet's through incorporation of AI technology:	
- Collaboration cost	104
*- Purchase of computer equipment **	97
- Expansion of research and development division	2,880
Development of bolt-on modules for cloud-based HCM solutions:	
- Purchase of software licenses *	1,020
Total	4,101

(2) As at the latest practicable date of the prospectus of 24 May 2021, none of the total utilisation of proceeds for research and development expenditure were supportable by any purchase orders, sales and purchase agreements or contractual binding agreements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for research and development expenditure of RM4.10 million to be raised from the Public Issue in the Pro Forma Statements of Financial Position.

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

4.5 Pro Forma V (Cont'd)

4.5.1 Utilisation of Proceeds (Cont'd)

Notes to the Utilisation of Proceeds (Cont'd)

(3) The estimated listing expenses comprise the following:-

	RM'000
Professional fees	3,274
Regulatory fees	1
Brokerage, underwriting and placement fees	703
Printing, advertising and other miscalleneous expenses	602
Total	4,580

From the total estimated listing expenses of RM4.58 million, a total of RM1.99 million is assumed to be directly attributable to the issuance of new shares and therefore will be set off against the share capital. The remaining expenses of RM2.59 million are assumed to be attributable to the listing and therefore will be charged to the statements of profit or loss and other comprehensive income. In the financial year ended 2020, the Company had recognised the actual listing expenses of RM2.28 million, a total of RM0.80 million is assumed to be directly attributable to the issuance of new shares and recognised in prepayment. The remaining expenses of RM1.48 million are assumed to be attributable to the listing and therefore charged to the statements of profit or loss and other comprehensive income.

** Capital expenditure amounts to RM1.18 million as per included in tables above.*

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

5. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION

5.1 Property and Equipment

	RM'000
As at 31 December 2020/As per Pro Forma I to IV	1,296
Pursuant to Utilisation of Proceeds from IPO(4.5.1)	1,182
As per Pro Forma V	2,478

5.2 Other Receivables, Deposits and Prepayments

	RM'000
As at 31 December 2020/As per Pro Forma I to IV	1,666
Pursuant to Utilisation of Proceeds from IPO(4.5.1)	(801)
As per Pro Forma V	865

5.3 Cash and Bank Balances

	RM'000
As at 31 December 2020/As per Pro Forma I to III	2,844
Pursuant to Public issue	25,092
As per Pro Forma IV	27,936
Pursuant to Utilisation of Proceeds from IPO	
- Expenses (excluding working capital and capital expenditure)	(14,074)
- Capital expenditure	(1,182)
- Payment of IPO expenses	(1,329)
As per Pro Forma V	11,351

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

5. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

5.4 Share Capital

	Number of Ordinary Shares ('000)	Amount of Share Capital RM'000
As at 31 December 2020	510	510
Pursuant to Acquisition	2,950	813
As per Pro Forma I	3,460	1,323
Upon RCPS Conversion	431	4,897
As per Pro Forma II	3,891	6,220
Subdivision of Shares	163,401	-
As per Pro Forma III	167,292	6,220
Public Issue	55,760	25,092
As per Pro Forma IV	223,052	31,312
Listing expenses directly attributable to the Public Issue	-	(1,990)
As per Pro Forma V	223,052	29,322

5.5 Merger Deficit

	RM'000
As at 31 December 2020	(260)
Pursuant to Acquisition	(813)
As per Pro Forma I to V	(1,073)

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

5. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

5.6 Retained Profits/(Accumulated Loss)

	RM'000
As at 31 December 2020/As per Pro Forma I	8,326
Being interest accrued for RCPS	(160)
As per Pro Forma II to IV	8,166
Less: Amount of proceeds utilised excluding working capital and listing expenses directly attributable to the Public Issue	(14,067)
Add: Capital expenditure capitalised as property and equipment	1,182
As per Pro Forma V	(4,719)

5.7 Redeemable Convertible Preference Shares

	RM'000
As at 31 December 2020/As per Pro Forma I	4,737
Upon interest accrued for RCPS	160
Upon RCPS Conversion	(4,897)
As per Pro Forma II to V	-

5.8 Other Payables and Accruals

	RM'000
As at 31 December 2020/As per Pro Forma I to IV	3,424
Less: Amount of proceeds utilised for IPO expenses as at 31 December 2020	(1,329)
As per Pro Forma V	2,095

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

APPENDIX A

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 3 1 MAY 2021

On behalf of the Board of Directors,

Tan Chee Seng
Director

Lee Miew Lan
Director

12.2 HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of the combined statements of profit or loss and other comprehensive income and combined statements of financial position of our Group for the Financial Years Under Review. The financial statements should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

12.2.1 Combined statements of profit or loss and other comprehensive income of our Group

	Audited			
Combined statements of profit or loss and other comprehensive income	**FYE 2017**	**FYE 2018**	**FYE 2019**	**FYE 2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	6,808	12,523	15,439	25,331
Cost of Sales	(3,565)	(8,021)	(7,759)	(9,991)
GP	3,243	4,502	7,680	15,340
Other income	135	6	128	507
Administrative expenses	(2,650)	(2,349)	(3,394)	(5,740)
Other expenses	(53)	(1,409)	(6)	(1,555)
Depreciation	(358)	(345)	(443)	(463)
Net impairment losses on financial assets	(15)	-	-	(231)
Profit from operations	302	405	3,965	7,858
Finance costs	(190)	(179)	(137)	(443)
PBT	112	226	3,828	7,415
Tax expense	(24)	(49)	(28)	(415)
PAT	88	177	3,800	7,000
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation differences	215	4	111	(37)
Total comprehensive income	303	181	3,911	6,963
PAT attributable to:				
- Owners of the Company	88	177	4,494	7,533
- Non-controlling interests	-	-	(694)	(533)
	88	177	3,800	7,000
EBITDA [(1)]	660	750	4,408	8,321
GP margin (%) [(2)]	47.64	35.95	49.74	60.56
PBT margin (%) [(3)]	1.65	1.80	24.79	29.27
PATAMI margin (%) [(4)]	1.29	1.41	29.11	29.74
Number of Shares in issue ('000)	810	800	510	510
Basic and diluted EPS (RM)	0.11	0.22	8.81	14.77

Notes:

(1) EBITDA is computed as the sum of profit from operations before depreciation charges.

(2) GP margin is computed based on GP over revenue.

(3) PBT margin is computed based on PBT over revenue.

(4) PATAMI margin is computed based on PATAMI over revenue.

12.2.2 Combined statements of financial position of our Group

Combined statements of financial position of our Group	Audited FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000
ASSETS				
Non-current assets				
Property and equipment	2,034	2,177	1,985	1,296
Investment Property	-	-	-	768
Rights-of-use assets	-	-	944	623
Development costs	-	-	-	725
Total non-current assets	2,034	2,177	2,929	3,412
Current assets				
Inventories	-	-	-	240
Trade receivables	1,196	1,428	1,337	11,579
Other receivables, deposits and prepayments	136	303	1,091	1,666
Amount owing by related parties	2,060	546	-	-
Amount owing by a director	545	55	-	-
Contract assets	146	-	913	-
Current tax assets	5	-	-	14
Cash and bank balances	504	679	3,691	2,844
Total current assets	4,592	3,011	7,032	16,343
TOTAL ASSETS	**6,626**	**5,188**	**9,961**	**19,755**
EQUITY AND LIABILITIES				
Share capital	1,455	1,216	510	510
Reserves	1,533	1,218	804	8,312
Equity attributable to owners of the Company	2,988	2,434	1,314	8,822
Non-controlling interests	-	(1,339)	(1,509)	(2,055)
Total equity	2,988	1,095	(195)	6,767
Non-current liabilities				
Redeemable convertible preference shares	-	-	-	4,737
Hire purchase payables	281	314	-	-
Lease liabilities	-	-	420	151
Term loans	376	275	162	1,758
Deferred tax liabilities	93	72	-	-
Provision for employee benefits obligations	3	13	54	82
Total non-current liabilities	753	674	636	6,728

12. FINANCIAL INFORMATION *(CONT'D)*

Combined statements of financial position of our Group	Audited FYE 2017 RM'000	Audited FYE 2018 RM'000	Audited FYE 2019 RM'000	Audited FYE 2020 RM'000
Current liabilities				
Trade payables	164	192	101	593
Other payables and accruals	560	580	5,329	3,424
Amount owing to directors	25	27	2,118	-
Hire purchase payables	102	146	-	-
Lease liabilities	-	-	384	341
Term loans	712	442	329	367
Short-term borrowings	1,322	1,422	1,018	1,203
Contract liabilities	-	608	145	136
Current tax liabilities	#	2	96	196
Total current liabilities	2,885	3,419	9,520	6,260
TOTAL LIABILITIES	3,638	4,093	10,156	12,988
TOTAL EQUITY AND LIABILITIES	**6,626**	**5,188**	**9,961**	**19,755**
Number of Shares in issue ('000)	810	800	510	510
NA / (NL) (RM'000)	2,988	1,095	(195)	6,767
NA (Owner's portion) (RM'000)	2,988	2,434	1,314	8,822
NA / (NL) per Share (RM)	3.69	1.37	(0.38)	13.27
NA per Share (Owner's portion) (RM)	3.69	3.04	2.58	17.30

Note:

\# *Less than RM1,000*

(The rest of this page is intentionally left blank)

12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis on our Group's financial condition and results of operations for FYE 2017, FYE 2018, FYE 2019 and FYE 2020 should be read in conjunction with the historical combined financial statements and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus. There are no accounting policies which are peculiar to our Group in regards to the nature of the business or the industry which our Group is involved in.

This discussion and analysis contains data derived from our historical combined financial statements as well as forward-looking statements reflecting our current views with respect to future events and our financial performance. Our actual results may differ significantly from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under Section 8, Risk Factors of this Prospectus.

12.3.1 Overview of our operations

We are a HCM solution and technology specialist. Our principal business activities are as follows:

(i) provision of HCM and student management solutions, comprising:
- consulting and implementation
- sale of software licences
- technical support and maintenance services;

(ii) provision of IT staff augmentation services; and

(iii) provision of HCM technology applications, comprising:
- Feet's, our in-house employee engagement mobile application
- Lark, a third party collaboration platform
- IT-related training
- Zoom, a third party enterprise unified communications platform.

Our revenue is generated from local and overseas and the currency used in invoicing is RM, USD, SGD, THB, IDR and Dong. Approximately 24.94%, 22.97%, 40.77% and 49.63% of our revenues were denominated in RM for FYEs 2017 to 2020, with the remainder mainly denominated in SGD and THB. Rams Malaysia invoices to customers outside Malaysia in RM and USD.

Further details of our Group's business overview are set out in Section 6 of this Prospectus.

Moving forward, we will continue to focus on our current principal business activities. As part of our business strategies and future plans as set out in Section 6.6 of this Prospectus, we intend to implement the following:

(i) to enlarge our regional presence in Southeast Asia by expanding into the Philippines;

(ii) to expand the presence and subscriber base of Feet's and Lark in Southeast Asia;

(iii) to enhance our R&D activities primarily for the enhancement of Feet's and development of bolt-on modules for our HCM solutions;

(iv) to expand our IT staff augmentation business;

(v) to increase the sale of software licences from large organisations; and

(vi) to continue to expand into the provision of IT-related training business.

Further details on the risk factors that may affect our revenue and financial performance are set out in Section 8 of this Prospectus.

12.3.2 Results of operations

Our Group's revenue for the financial years and period under review was derived from the provision of HCM and student management solutions, provision of IT staff augmentation services and provision of HCM technology application.

(i) Provision of HCM and student management solutions

Revenue from this segment is derived from:

(a) provision of consulting and implementation of HCM and student management solutions using third party software. We understand an organisation's HR practices through a user requirement study, designing HR workflow processes and solutions to address the organisation's HR issues, and proposing an optimised HCM solution to the organisation. We design a HCM solution to assist organisations to transform, improve and digitalise their HR systems with the use of HCM software;

(b) sale of third party software licences as part of our HCM and student management solutions, where we purchase software licences from software vendors on wholesale basis and resell them to our customers (i.e. organisations and educational institutions, who are the end-users of our HCM and student management solutions respectively) based on number of software licences, as and when required based on projects awarded, with a percentage mark-up; and

(c) provision of technical support and maintenance services to organisations and educational institutions as part of our after-sales services following consulting and implementation of HCM and student management solutions. We also provide technical support and maintenance services to organisations and educational institutions who do not engage us for consulting and implementation of HCM solutions.

For the Financial Years Under Review, revenue contributed by our provision of HCM and student management solutions segment was derived from our customers based in Malaysia as well as foreign countries including Singapore, Thailand, Vietnam, Indonesia, the Netherlands and Taiwan.

For the Financial Years Under Review, our Group does not have any pricing policy in place. The pricing of our projects for consulting and implementation of HCM solutions varies from customer to customer as they are based on various factors, including types of HCM or student management software, modules to be implemented, duration of project, number of consultants required and complexity of the solutions in terms of the end-users' employee or student management workflow processes.

Following the sale of the software licences to our customers, we carry out the implementation of HCM solutions for the customers. We do not sell software licences on a standalone basis where we are not involved in the consulting and implementation of the HCM solutions for the customers. Nevertheless, we also purchase and resell software licences to our existing customers on a standalone basis for the purposes of licence renewal on a yearly basis.

Most of our technical support and maintenance services are provided based on AMS agreements signed between our Group and our customers. The agreements stipulate details such as scope of work, types of support, number of support personnel needed, support timeframe and fees. We also provide technical support and maintenance services to customers for a shorter period of time (i.e. several weeks or months) where in such cases, the arrangement and revenue will be based on man-days without any contract signed.

Revenue from sale of software licences are recognised when our Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The contracts include multiple deliverables, such as provisions of software solutions, implementation of software solutions, technical support and its related installation services. However, the installation is simple, does not include an integration service and could be performed by other providers in the market. It is therefore accounted for as a separate performance obligation. The transaction price is allocated to each performance obligation based on the stand-alone selling prices.

Revenue from the installation and maintenance services of the business software solutions are recognised over time in which the services are rendered. This is determined based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, our Group recognises revenue based on the output method over the period of service. If the services rendered exceed the payment received, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised.

The Group also assesses whether the sales of software licence included in the contracts represent a single performance obligation that is distinct from the ongoing contractual obligations. If not distinct, the combined performance obligations is recognised over time. If the licence is distinct, it is recognised separately from the other performance obligations at the time of the delivery of the licenced software.

In view of the nature of our projects, our cost of sales such as purchase of software licences may not correspond to our overall revenue or profitability for a given year as the cost of sales and revenue recognised in any given year varies from one to another depending on the implementation timeframe for each project which ranges between 3 months and 24 months, which can often spread over 2 financial years. In this regard, cost of sales from each project will generally peak during the initial year of implementation and taper off in the following year as software licences needs to be purchased before installation of the software for the projects starts whereas our billings for work done will only be raised after meeting the project's milestones. This timing difference of cost of sales and revenue recognition might affect our yearly GP margin.

(ii) Provision of IT staff augmentation services

Revenue from this segment is derived from the provision of IT staff augmentation services where we recruit and supply IT professionals to our customers, for their internal IT projects and / or to meet their operational needs in IT function, on a fixed contractual period. The customers for our IT staff augmentation services are business organisations, primarily enterprises, MNCs and conglomerates.

The IT professionals are hired, as and when needed, under our Group's payroll, whereby our Group pays the salaries and manages the welfare / benefits of the IT professionals throughout the duration of the contract period, as agreed with our customers. We charge our customers a monthly fee comprising the salaries of the IT professionals plus a percentage mark-up in accordance with the requirements of the customer such as level of experience, duration and scope of work.

Revenue from the provision of IT staff augmentation services are recognised when the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

For services provided and charged by on a daily basis, revenue is recognised at a point in time when the services are delivered to the customer and upon its acceptance.

(iii) Provision of HCM technology applications

Revenue from this segment is derived from:

(a) Feet's, an employee engagement mobile application. Our target customers for Feet's are business organisations including enterprises, MNCs, conglomerates and educational institutions. We sell Feet's to these customers on a monthly subscription basis based on the number of users in the organisation;

(b) Lark, a single online collaboration platform for business use that seamlessly interconnects multiple communication functions such as email, instant messenger, tele-conferencing and video conferencing, as well as other work-related functions such as scheduling meetings, calendar management, attendance management, document creation and editing, cloud storage and file sharing.

In February 2020, our subsidiary Rams Malaysia entered into a Lark Partner Network Agreement with Lark Technologies Pte Ltd, a Singapore company to resell Lark, a third party collaboration platform, for Asia Pacific region (including Japan and excluding Mainland China) with a tenure of 3 years and any renewal shall be subject to mutual agreement. As at the LPD, while our revenue from the sale of Lark is solely generated from Malaysia, Lark can also be offered in Thailand, Indonesia and Vietnam. Apart from reselling Lark's user licences to our customers, we also provide implementation, maintenance and enhancement services related to on-boarding of new users, basic technical support and integration between third party applications and Lark to our customers.

We offer Lark to our customers on monthly subscription fees based on the type of account and number of users in the organisation. Upon securing a customer for the subscription of Lark, we will place an order with Lark Technologies Pte Ltd to purchase the user licences. We will be charged for the licence fees for every order placed with Lark Technologies Pte Ltd, and we are required to complete the payment to Lark Technologies Pte Ltd within 30 days upon the invoice date. The payment terms in respect of our purchases of the user licences are quoted in SGD or USD or any other agreed currency; and

(c) IT-related training, revenue from this segment is derived from provision of IT-related training to unemployed Malaysians under the Penjana Kerjaya Program introduced by the Government's Ministry of Human Resource.

In August 2020, our subsidiary, Rams Malaysia entered into an agreement with Megatech, an educational institution in Malaysia to provide the IT-related training.

As at the LPD, the IT-related training provided to Megatech's students are conducted through Lark. While we provide the training directly to Megatech's students, our revenue from this business segment is contributed by Megatech as we act as a trainer to Megatech.

Revenue from the provision of HCM technology applications are recognised at a point the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

For services provided and charged by on a daily basis, revenue is recognised at a point in time when the services are delivered to the customer and upon its acceptance.

Further details of our Group's business overview are set out in Section 6 of this Prospectus.

(The rest of this page is intentionally left blank)

12. FINANCIAL INFORMATION *(CONT'D)*

12.3.2.1 Segmental analysis of revenue

(i) Revenue by business activities

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Revenue by business activities	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Provision of HCM and student management solutions								
- Consultation and implementation	1,572	23.09	2,097	16.75	8,510	55.12	10,813	42.69
- Sale of third party software licences [(1)]	777	11.41	4,462	35.63	1,535	9.94	1,977	7.80
- Technical support and maintenance	3,262	47.92	3,627	28.96	4,026	26.08	2,559	10.10
Subtotal	5,611	82.42	10,186	81.34	14,071	91.14	15,349	60.59
Provision of IT staff augmentation	1,197	17.58	2,337	18.66	1,290	8.35	876	3.46
Provision of HCM technology applications	-	-	-	-	78	0.51	8,681	34.27
Provision of IT-related training	-	-	-	-	-	-	425	1.68
Total	**6,808**	**100.00**	**12,523**	**100.00**	**15,439**	**100.00**	**25,331**	**100.00**

Note:

(1) The amount under Sale of third party software licences are for sales of software licences that are consider as a sale that can be recognised separately from the other performance obligation at the time of the delivery of the licenced software.

Our Group's revenue is mainly derived from the provision of HCM and student management solutions, representing approximately 82.42%, 81.34%, 91.14% and 60.59% of our Group's total revenue for the Financial Years Under Review.

Our revenue to existing and new customers secured by our Group is mainly supported by:

(i) our proven project track record involving large organisations in multiple countries across multiple industries;

(ii) our regional presence in Southeast Asia with robust knowledge of local organisational dynamics and strong understanding of local employment laws; and

(iii) our experience and knowledge in HR enable us to enhance the efficiency of an organisation's HR functions using our suite of HCM solutions and technology.

12. FINANCIAL INFORMATION *(CONT'D)*

(ii) Revenue by subsidiaries

The table below sets out the business activities of our Group:

	Business activities			
Subsidiary	HCM and student management solutions	IT staff augmentation [1]	HCM technology applications [2]	IT- related training
Rams Malaysia	✓	✓	✓	✓
Rams Singapore	✓	✓	✓	
Rams Thailand	✓		✓	
Rams Vietnam	✓		✓	
Rams Indonesia	✓		✓	
Feets Malaysia and Feets Indonesia			✓	

Notes:

(1) Revenue from this segment is currently derived from Malaysia and Singapore only. However, this service can be extended to Thailand and Indonesia, depending on the customers' requests.

(2) Feet's is currently offered in Malaysia and Indonesia only, while Lark is currently offered in Malaysia. However, Feet's can be offered to other countries which we have business presence in, such as Singapore, Thailand and Vietnam; while Lark can also be offered to Thailand, Indonesia and Vietnam. Our Group does not intend to resell Lark in Singapore as our principal, Lark Technologies Pte Ltd is based in Singapore and organisations that are interested in signing up Lark would approach Lark Technologies Pte Ltd directly. Zoom is currently offered in all countries which we have business presence in, namely Malaysia, Singapore, Thailand, Indonesia and Vietnam.

Rams Malaysia provides project management services to other subsidiaries except for Feets Malaysia. Rams Malaysia also provides administration service to Rams Thailand. In FYE 2018, Rams Singapore provided project management service to Rams Vietnam.

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Revenue by subsidiaries	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Rams Malaysia	1,891	27.78	3,322	26.53	6,369	41.25	12,559	49.58
Rams Singapore	4,405	64.70	3,982	31.80	3,469	22.47	2,835	11.19
Rams Thailand	482	7.08	5,063	40.43	5,433	35.19	7,554	29.82
Rams Vietnam	30	0.44	156	1.24	90	0.58	-	-
Rams Indonesia	-	-	-	-	-	-	2,314	9.14
Feets Malaysia	-	-	-	-	78	0.51	69	0.27
Total	**6,808**	**100.00**	**12,523**	**100.00**	**15,439**	**100.00**	**25,331**	**100.00**

12. FINANCIAL INFORMATION *(CONT'D)*

Our Group's revenue for FYE 2017 is mainly derived from Rams Singapore, representing approximately 64.70% of the total revenue for FYE 2017. In FYE 2018, Rams Thailand contributed the most revenue, representing approximately 40.43% of the total revenue respectively. Rams Malaysia contributed the most revenue in FYE 2019 and FYE 2020, representing approximately 41.25% and 49.58% of the total revenue respectively.

(iii) Revenue by geographical location

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Revenue by geographical location	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	1,698	24.95	2,876	22.96	4,885	31.64	11,534	45.53
Overseas markets								
- Singapore	4,177	61.35	3,982	31.80	3,577	23.17	2,879	11.37
- Thailand	482	7.08	5,063	40.43	5,433	35.19	7,554	29.82
- Vietnam	30	0.44	156	1.25	90	0.58	-	-
- Indonesia (1)	-	-	-	-	1,362	8.82	3,310	13.07
- The Netherlands	193	2.83	446	3.56	92	0.60	54	0.21
- Taiwan	228	3.35	-	-	-	-	-	-
Subtotal	**5,110**	**75.05**	**9,647**	**77.04**	**10,554**	**68.36**	**13,797**	**54.47**
Total	**6,808**	**100.00**	**12,523**	**100.00**	**15,439**	**100.00**	**25,331**	**100.00**

Note:

(1) Prior to the establishment of Rams Indonesia on 10 January 2019, there was 1 HCM solution project in Indonesia secured by Rams Malaysia in December 2018, which the consulting and implementation works of the project were performed by Rams Malaysia in Malaysia. Thereafter, all new projects in Indonesia were secured by Rams Indonesia.

The classification of our Group's revenue by geographical market is based on the location of the customer, regardless of the location of the work being carried out.

Our revenue from Malaysia contributed approximately 24.95%, 22.96%, 31.64% and 45.53% of our Group's total revenue for FYE 2017, FYE 2018, FYE 2019 and FYE 2020 respectively. In FYE 2019, the Group's revenue denominated in RM is higher than revenues generated in Malaysia by approximately RM1.48 million or 30.27% mainly due to CV Surya Mandiri (located in Indonesia) that was billed in RM to Rams Malaysia before the incorporation of Rams Indonesia. In FYE 2020, the Group's revenue denominated in RM is still higher than revenue generated in Malaysia by approximately RM1.03 million or 8.89% out of which RM0.99 million was from the contract with CV Surya Mandiri as the contract is ongoing. Our Group's revenue from overseas market accounted for approximately 75.05%, 77.04%, 68.36% and 54.47% of our Group's total revenue for FYE 2017, FYE 2018, FYE 2019 and FYE 2020 respectively.

The IT staff supplied to Epicenter Amsterdam, a company based in the Netherlands, for the Financial Years Under Review was by Rams Malaysia and Rams Singapore. As for the project in Taiwan during FYE 2017, it was entered with Rams Singapore.

(iv) Commentary on revenue

FYE 2018 as compared to FYE 2017

By business activities

Our total revenue increased by approximately RM5.71 million or 83.85% from RM6.81 million in FYE 2017 to RM12.52 million in FYE 2018 is mainly due to a higher revenue from the provision of HCM and student management solutions of approximately RM4.58 million or 81.64% as compared to RM5.61 million generated in FYE 2017.

The increase in revenue generated from the provision of HCM and student management solutions was mainly due to 7 new customers secured during FYE 2018 which contributed approximately RM4.44 million or 35.42% to our total revenue in FYE 2018. Among the new customer, P.R. Recruitment and Business Management Co., Ltd. in Thailand contributed approximately RM3.44 million or 27.43% to our total revenue in FYE 2018. Due to their need to change their existing HCM systems, they have engaged us for consulting and implementation of HCM solutions and purchase of software licences.

CapitaLand Limited, our existing customer since 2011, set up a new company, CapitaLand Business Services Pte Ltd and they have engaged us for technical support and maintenance services which contributed approximately RM1.16 million or 9.25% to our total revenue in FYE 2018. CapitaLand Business Services Pte Ltd needed to upgrade their existing HCM system. Collectively, CapitaLand Limited and CapitaLand Business Services Pte Ltd contributed approximately RM2.15 million or 17.21% to our total revenue in FYE 2018.

Revenue from our provision of IT staff augmentation increased by approximately RM1.14 million or 95.00% from RM1.20 million in FYE 2017 to RM2.34 million in FYE 2018 mainly due to the increase in supply of IT staff to a local financial institution from 7 IT staff in FYE 2017 to 9 IT staff in FYE 2018. The said financial institution, an existing customer, increased their purchases by approximately RM0.91 million or 133.06% from RM0.69 million in FYE 2017 to RM1.60 million in FYE 2018 which contributed 68.37% of our revenue in the provision of IT staff augmentation in FYE 2018 or 12.76% of our total revenue in FYE 2018. 4 of the 7 IT staff in FYE 2017 were only recruited in the last quarter of FYE 2017 which explained the higher revenue in FYE 2018 from our provision of IT staff augmentation.

By subsidiaries

Our subsidiary, Rams Thailand, contributed the most revenue for our Group in FYE 2018 which increased by RM4.58 million from RM0.48 million in FYE 2017 to RM5.06 million in FYE 2018 mainly attributable to revenue from P.R. Recruitment and Business Management Co. Ltd. contributing approximately RM3.44 million or 27.43% to our total revenue in FYE 2018.

Rams Malaysia also recorded an increase in revenue of approximately RM1.43 million or 75.7% from RM1.89 million in FYE 2017 to RM3.32 million in FYE 2018 mainly attributable to the local financial institution, the provision of consulting and implementation of HCM solutions to Company D in the last quarter of FYE 2018 and the increase in supply of IT staff to Epicenter Amsterdam, a company based in the Netherlands.

The increase in revenue from Rams Thailand and Rams Malaysia is offset by the decrease in revenue from Rams Singapore of approximately RM0.43 million or 9.75% from RM4.41 million in FYE 2017 to RM3.98 million in FYE 2018. The reduction is due to completion of the project for Powertech Technology Inc in Taiwan in FYE 2017 and most of the project billing for Parkway Hospitals Singapore Pte Ltd amounting to approximately RM0.30 million was raised in FYE 2017 with only RM0.07 million raised in FYE 2018 due to completion of project.

By geographical location

In FYE 2018, we experienced revenue growth in Malaysia of approximately RM1.18 million or 69.41% from RM1.70 million to RM2.88 million mainly due to the higher revenue from provision of IT staff augmentation to the local financial institution due to the increase in supply of IT staff, and the provision of HCM solutions to Company D. This financial institution contributed 70.13% of the total revenue from Malaysia in FYE 2018.

Revenue from our overseas market has also increased by RM4.54 million or 88.85% from RM5.11 million in FYE 2017 to RM9.65 million in FYE 2018 which is mainly attributable to higher revenue from our subsidiary, Rams Thailand. The overall increase in revenue from our overseas market is offset by the decrease in revenue from Singapore and Taiwan. The reduction in revenue in Singapore was due to the completion of project. Most of the project billing for Parkway Hospitals Singapore Pte Ltd amounting to approximately RM0.30 million was raised in FYE 2017 while RM0.07 million for the project billing was raised in FYE 2018. Similarly, revenue from Taiwan reduced due to completion of the project with Powertech Technology Inc.

FYE 2019 as compared to FYE 2018

By business activities

Our total revenue increased by approximately RM2.92 million or 23.32% from RM12.52 million in FYE 2018 to RM15.44 million in FYE 2019 is mainly due to a higher revenue of approximately RM3.89 million or 38.19% generated from the sales of HCM and student management solutions. Further, we recorded increase in revenue from provision of HCM technology application of approximately RM0.08 million. Nonetheless, the increase in the revenue from sales of HCM and student management solutions is offset by the decrease in revenue from IT staff augmentation of approximately RM1.05 million or 44.87% from RM2.34 million in FYE 2018 to RM1.29 million in FYE 2019.

The increase in revenue generated from the provision of HCM and student management solutions was mainly due to 12 new customers secured during FYE 2019 which contributed revenue of approximately RM4.64 million or 30.05% of our total revenue in FYE 2019. Out of the 12 new customers, one customer, namely CV Surya Mandiri, based in Indonesia, engaged us for consulting and implementation of HCM solutions and purchase of software licences as they experienced a business expansion and needed to change their existing software. CV Surya Mandiri contributed approximately RM1.30 million or 8.42% to our total revenue in FYE 2019. Revenue from CV Surya Mandiri was captured in Rams Malaysia but not Rams Indonesia as the contract was entered into in December 2018 and Rams Indonesia was only incorporated in January 2019.

Company D, which had directly engaged us in the last quarter in FYE 2018 for consulting and implementation of HCM solutions contributed approximately RM0.23 million in FYE 2018 and the contribution further increased by approximately RM1.80 million to RM2.03 million in FYE 2019 which is 13.12% of our total revenue in FYE 2019. In FYE 2019, Company A has also appointed us to provide consulting and implementation of HCM solutions to Company D which contributed approximately RM0.48 million or 3.11% to our total revenue in FYE 2019. The contract with CapitaLand Business Services Pte Ltd which started in FYE 2018 contributed approximately RM1.16 million in which further increased by approximately RM1.20 million to RM2.36 million or 15.28% of our total revenue in FYE 2019. The contract with CapitaLand Business Services Pte Ltd was completed in FYE 2019.

The increase in revenue from provision of HCM and student management solutions from 12 new customers, Company D and CapitaLand Business Services Pte Ltd were offset against the decrease of revenue recorded from P.R. Recruitment Services of approximately RM2.33 million from RM3.44 million in FYE 2018 to RM1.11 million in FYE 2019. In addition, we recorded a decrease of revenue from RHB Bank Berhad and SP Setia Berhad of approximately RM0.35 million and RM0.20 million due to completion of project. We also recorded a decrease in revenue from Keretapi Tanah Melayu Berhad of approximately RM0.09 million due to completion of project. Further, we recorded a decrease in revenue from CapitaLand Limited and Ascendas Land (Singapore) Pte Ltd of approximately RM1.00 million and RM0.36 million respectively due to acquisition of Ascendas Land (Singapore) Pte Ltd by CapitaLand Limited. Both are our existing customers and upon completion of the said acquisition, we only need to provide service to one company which is Ascendas Land (Singapore) Pte Ltd and we no longer generate revenue from CapitaLand Limited in FYE 2019.

Our overall increase in total revenue for FYE 2019 was offset by the decrease in revenue from our provision of IT staff augmentation of approximately RM1.05 million or 44.87% from RM2.34 million in FYE 2018 to RM1.29 million in FYE 2019. The decrease was mainly due to the reduction in supply of IT staff from 9 in FYE 2018 to 6 in FYE 2019 to the local financial institution as they did not renew our service agreement upon expiry in FYE 2018. Our service agreement with the local financial institution was entered into to complete a specific job request by the client which is to plan, design and construct a software system. Therefore, upon expiry of the service agreement, the job requested have been fulfilled thus the service agreement was not renewed.

The provision of HCM technology applications started to contribute to our revenue in FYE 2019 of approximately RM0.08 million from 4 customers out of which 3 are from Indonesia and 1 from Malaysia. The revenue contribution was derived from the subscription of our in-house employee engagement mobile application Feet's.

By subsidiaries

Our subsidiary, Rams Malaysia, contributed the most revenue for our Group in FYE 2019 which increased by approximately RM3.05 million or 91.87% from RM3.32 million in FYE 2018 to RM6.37 million in FYE 2019 mainly attributable to CV Surya Mandiri and Company D. CV Surya Mandiri contributed approximately RM1.30 million or 8.42% to our total revenue in FYE 2019 while Company D contributed approximately RM2.03 million or 13.12% in FYE 2019. The increase in revenue for Rams Malaysia is also due to Company A which contributed approximately RM1.25 million or 8.13% of our total revenue in FYE 2019. Rams Malaysia was appointed by Company A to supply IT staff to them which contributed approximately RM0.39 million to our total revenue in FYE 2019 and to provide consulting and implementation of HCM solutions to Company D and a financial institution in Thailand.

By geographical location

In FYE 2019, we experienced revenue growth in Malaysia of approximately RM2.01 million or 69.79% from RM2.88 million to RM4.89 million mainly due to Company D and Company A. They both contributed approximately RM3.28 million or 21.25% of the total revenue from Malaysia in FYE 2019.

Revenue from our overseas market has also increased by approximately RM0.90 million or 9.33% from RM9.65 million to RM10.55 million which is mainly attributable to our ongoing and new projects in Thailand and expansion of business to Indonesia in FYE 2019. The expansion to Indonesia contributed approximately RM1.36 million or 12.91% of our total revenue from overseas markets in FYE 2019. Revenue from Thailand has increased by approximately RM0.37 million or 7.31% mainly due to new customers secured such as Export-Import Bank of Thailand and Bank of Ayudhya Public Co., Ltd which collectively contributed approximately RM2.45 million or 15.86%of our total revenue in FYE 2019. However, this increase was offset by the decrease in revenue contribution from P.R. Recruitment and Business Management Co. Ltd. of approximately RM2.33 million or 67.7% from RM3.44 million in FYE 2018 to RM1.11 million in FYE 2019. The decrease of revenue contribution from P.R Recruitment and Business Management Co. Ltd in FYE 2019 mainly due to RM0.81 million of the project milestone was billed in FYE 2018 while the balance of RM0.47 million of the project milestone was billed in FYE 2019. Further, our project for P.R. Recruitment and Business Management Co. Ltd include sale of software licence of which RM2.62 million was billed in FYE 2018 and RM0.62 million was billed in FYE 2019. The overall revenue from our overseas market was also offset by the decrease in revenue from Singapore of approximately RM0.41 million to RM3.58 million in FYE 2019 mainly due to the acquisition of Ascendas Land (Singapore) Pte Ltd by CapitaLand Limited. Both are our existing customers and upon completion of the said acquisition, we only need to provide service to one company which is Ascendas Land (Singapore) Pte Ltd and we no longer generate revenue from CapitaLand Limited in FYE 2019.

FYE 2020 as compared to FYE 2019

By business activities

Our total revenue increased by approximately RM9.89 million or 64.07% from RM15.44 million in FYE 2019 to RM25.33 million in FYE 2020 mainly due to a higher revenue of approximately RM8.60 million generated from the provision of HCM technology applications. Further, we recorded an increase in revenue from provision of HCM and student management solutions of approximately RM1.28 million or 9.08% from RM14.07 million in FYE 2019 to RM15.35 million in FYE 2020. We began our provision of IT-related training in FYE 2020 and it contributed RM0.43 million of revenue in FYE 2020. Nonetheless, the increase in the revenue in FYE 2020 was offset by the decrease in revenue from the provision of IT staff augmentation of approximately RM0.41 million or 32.09% from RM1.29 million in FYE 2019 to RM0.88 million in FYE 2020.

The increase in revenue generated from the provision of HCM technology applications and IT-related training was due to Megatech, a new customer secured during FYE 2020 which contributed revenue of approximately RM9.03 million or 35.64% of our total revenue in FYE 2020, including RM0.43 million was for provision of IT-related training. Our subsidiary, Rams Malaysia was engaged to provide consulting and implementation as well as technical support and maintenance in relations to Lark, and provided online training courses to the students of Megatech.

The increase in revenue generated from the provision of HCM and student management solutions was mainly due to two new customers secured during FYE 2020 which contributed revenue of approximately RM2.31 million or 9.12% of our total revenue in FYE 2020. The two new customers are PT Sigma Solusi Integrasi and PT Nojorono Tobacco International, both based in Indonesia. PT Sigma Solusi Integrasi engaged Rams Indonesia for consulting and implementation of HCM solutions, contributed RM1.17 million or 4.63% of the Group's revenue in FYE 2020. PT Nojorono Tobacco International, which engaged Rams Indonesia for consulting and implementation of HCM solutions and sales of third party software licences, contributed approximately RM1.14 million or 4.50% of the Group's revenue in FYE 2020.

Export-Import Bank of Thailand, our existing customer for consulting and implementation of HCM solutions contributed approximately RM1.61 million in FYE 2019 and the contribution further increased by approximately RM2.15 million to RM3.77 million in FYE 2020 which is 14.87% of our total revenue in FYE 2020 upon completion of the project.

The increase in revenue from provision of HCM and student management solutions was offset by the decrease in revenue recorded from Company D of approximately RM1.56 million from RM2.03 million in FYE 2019 to RM0.47 million in FYE 2020 due to completion of remaining milestones of the project.

Further, revenue from technical support and maintenance decreased by approximately RM1.47 million from RM4.03 million in FYE 2019 to RM2.56 million in FYE 2020 mainly due to completion of projects for 8 customers that contributed a total of RM0.84 million to our revenue in FYE 2019 due to completion of the projects. In FYE 2019, we invoiced the sales for technical support and maintenance (which includes sales for software licences) amounting to RM0.61 million to ThaiFoods Group Public Company Limited. However, in FYE 2020, we invoiced ThaiFoods Group Public Company Limited for our provision of technical support and maintenance service and sale of software licences separately amounting to RM0.14 million and RM0.50 million respectively. This has resulted in the decrease in revenue from technical support and maintenance in FYE 2020.

Our overall increase in total revenue for FYE 2020 was offset by the decrease in revenue from our provision of IT staff augmentation of approximately RM0.41 million or 32.09% from RM1.29 million in FYE 2019 to RM0.88 million in FYE 2020. The decrease was mainly due to no new project from a local financial institution in FYE 2020 after completion of the existing project which contributed RM0.79 million to the revenue from our provision of IT staff augmentation in FYE 2019.

By subsidiaries

Our subsidiary, Rams Malaysia, contributed the most revenue for our Group in FYE 2020 which increased by approximately RM6.19 million or 97.19% from RM6.37 million in FYE 2019 to RM12.56 million in FYE 2020. This is mainly attributable to Megatech which contributed approximately RM8.60 million and RM0.43 million in FYE 2020 for provision of HCM technology applications and IT-related training, respectively. The increase of revenue for Rams Malaysia was offset by the decrease in sales from Company D of approximately RM1.56 million from RM2.03 million in FYE 2019 to RM0.47 million in FYE 2020 due to completion of remaining milestones of the project. Further, there was no new project from a local financial institution in FYE 2020 after completion of the existing project which contributed RM0.79 million and RM0.08 million in FYE 2019 for IT staff augmentation and provision of HCM and student management solution, respectively.

Rams Thailand recorded an increase in revenue of approximately RM2.12 million or 39.04% from RM5.43 million in FYE 2019 to RM7.55 million in FYE 2020 mainly attributable to increase in revenue from Exim-Import Bank of Thailand amounted to RM2.15 million from RM1.61 million in FYE 2019 to RM3.77 million in FYE 2020. The increase in revenue of Rams Thailand was offset with no sales recorded from 2 customers in FYE 2020 due to completion of project. Both customers contributed RM0.02 million and RM0.01 million, respectively in FYE 2019.

Rams Indonesia also contributed approximately RM2.31 million or 9.14% of our total revenue in FYE 2020 due to the provision of HCM solutions to two new customers, PT Sigma Solusi Integrasi and PT Nojorono Tobacco International. PT Sigma Solusi Integrasi engaged Rams Indonesia for consulting and implementation of HCM solutions, which contributed RM1.17 million or 4.63% of the Group's revenue in FYE 2020. PT Nojorono Tobacco International, engaged Rams Indonesia for consulting and implementation of HCM solutions and sales of third party software licences, contributed approximately RM1.14 million or 4.50% of the Group's revenue in FYE 2020.

Despite the increase in revenue from Rams Malaysia, Rams Thailand and Rams Indonesia in FYE 2020, the Group recorded a decrease in revenue from Rams Singapore of approximately RM0.63 million or 18.28% from RM3.47 million in FYE 2019 to RM2.84 million in FYE 2020. The decrease is due to no revenue recorded from Ascendas Land (Singapore) Pte Ltd upon completion of the project. They contributed RM0.39 million to the total Group revenue of FYE 2019. Further, there was a decrease of revenue from Capital Land Business Services Pte Ltd by RM0.27 million or 11.44% from RM2.36 million in FYE 2019 to RM2.09 million in FYE 2020 due to completion of consulting and implementation project.

By geographical location

In FYE 2020, we experienced revenue growth in Malaysia of approximately RM6.65 million or 136.11% from RM4.89 million to RM11.53 million mainly due to Megatech which contributed RM8.60 million and RM0.43 million in FYE 2020 for provision of HCM technology applications and IT-related training, respectively. The increase of revenue from Malaysia was offset by the decrease of sales from Company D of approximately RM1.56 million from RM2.03 million in FYE 2019 to RM0.47 million in FYE 2020 due to completion of remaining milestones of the project. Further, there was no new project from a local financial institution in FYE 2020 after completion of the existing project which contributed RM0.79 million and RM0.08 million in FYE 2019 for IT staff augmentation and provision of HCM and student management solution, respectively.

Revenue from our overseas market has also increased by approximately RM3.24 million or 30.73% from RM10.55 million to RM13.80 million mainly due to projects with Export-Import Bank of Thailand, and new customers secured in Indonesia namely PT Sigma Solusi Integrasi and PT Nojorono Tobacco International. They contributed approximately RM6.08 million or 24.00% of our total revenue in FYE 2020. The revenue contribution from Export-Import Bank of Thailand increased by RM2.15 million from RM1.61 million in FYE 2019 to RM3.77 million in FYE 2020. PT Sigma Solusi Integrasi which engaged Rams Indonesia for consulting and implementation of HCM solutions, contributed RM1.17 million or 4.63% of the Group's revenue in FYE 2020. PT Nojorono Tobacco International which engaged Rams Indonesia for consulting and implementation of HCM solutions and sales of third party software licences, contributed approximately RM1.14 million or 4.50% of the Group's revenue in FYE 2020.

The increase of revenue from our overseas market was offset by the decrease in revenue from Singapore of approximately RM0.70 million from RM3.58 million in FYE 2019 to RM2.88 million in FYE 2020 mainly due to no revenue recorded from Ascendas Land (Singapore) Pte Ltd upon completion of project and decrease of revenue from Capital Land Business Services Pte Ltd by RM0.27 million or 11.27% from RM2.36 million in FYE 2019 to RM2.09 million in FYE 2020 due to completion of consulting and implementation project.

There is no revenue from Vietnam in FYE 2020 upon completion of a project which contributed RM0.09 million of revenue in FYE 2019.

Revenue from The Netherlands decreased by RM0.04 million in FYE 2020 mainly due to lesser man hours required from our provision of IT staff augmentation to Epicenter Amsterdam because less support and customisation was needed for their system.

(The rest of this page is intentionally left blank)

12. FINANCIAL INFORMATION *(CONT'D)*

12.3.2.2 Segmental analysis of cost of sales, GP and GP margin

Our Group's cost of sales mainly comprises staff cost. The analysis of our cost of sales by cost items, by business activities, by subsidiaries and by geographical location for the Financial Years Under Review are explained below.

(i) Cost of sales by cost item

The components of our cost of sales are as follows:

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Cost of sales by cost item	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Staff cost	2,840	79.66	4,172	52.01	4,950	63.79	6,362	63.68
Software licences	725	20.34	3,803	47.41	2,332	30.05	2,663	26.65
Subcontractor fees	-	-	46	0.58	477	6.16	966	9.67
Total	**3,565**	**100.00**	**8,021**	**100.00**	**7,759**	**100.00**	**9,991**	**100.00**

(The rest of this page is intentionally left blank)

Staff cost are the largest component in the cost of sales, consistently constituting more than 50% of our total cost of sales. The second largest component is software licences which constitutes approximately between 20.34% to 47.41% of our total cost of sales.

(a) Staff cost

Staff cost accounted for approximately 79.66%, 52.01%, 63.79% and 63.68% of our Group's total cost of sales for the Financial Years Under Review.

Staff cost mainly consist of salaries, bonuses, employees' provident fund contributions and other staff-related benefits. These staff cost are attributable to our employees from the creative, development and operation department.

(b) Software licences

Software licences cost accounted for approximately 20.34%, 47.41%, 30.05% and 26.65% of our Group's total cost of sales for the Financial Years Under Review.

We purchase software licences from software vendors on wholesale basis and resell them to our customers (i.e. organisations and educational institutions, who are the end-users of our HCM and student management solutions respectively) based on number of software licences, as and when required based on projects awarded, with a percentage mark-up. Each user would require an individual software licence codes and therefore when we receive a request for purchase of software licence, we purchase on wholesale basis as it would usually be in hundreds of licence codes per purchase.

After the purchases of software licences are made upon request based on projects awarded or from our existing customers for licence renewal, these software licences are sold almost immediately to our customers. Therefore, we do not hold any software licences as inventories. However, in the event whereby the software licences are not sold almost immediately, these software licences will be recognised as inventories if they are still not sold as at 31 December. Our customers have the options to purchase the software licences from us or from software vendors. In view of this, not all of our projects for HCM and student management solutions will require the need to purchase software licences in advance of the installation stage for the softwares.

The timing for cost of software licences pertaining to the implementation of HCM solutions projects is not matched to the revenue generated from the respective projects. The cost of software licences is usually incurred before commencement of the implementation of HCM solutions projects. The revenue from the resale of software licences which was purchased pertaining to the implementation of HCM solutions projects will only be recognised after meeting the project's milestones, as the billings for resale of these licences is bundled together with the revenue from implementation of HCM solutions projects. Hence, we only recognise the revenue upon completing each milestone set out, whilst the cost of such licences will be incurred upfront.

(c) Subcontractor fees

Subcontractor cost accounted for approximately 0.58%, 6.16% and 9.67% of our Group's total cost of sales for FYE 2018, FYE 2019 and FYE 2020. We did not incur any subcontractor fees in FYE 2017.

As our customers may require specialised expertise on an immediate basis as well as taking into account of their cost and operational efficiencies, we will outsource some specialised implementation works, such as penetration test during system testing stage, to other third party IT companies depending on the requirements of our projects.

We also outsource some implementation works for HCM solutions that use Oracle Corp's HCM software, to third party IT companies in the event of resource constraints.

(The rest of this page is intentionally left blank)

(ii) Cost of sales by business activities

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Cost of sales by business activities	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Provision of HCM and student management solutions	3,032	85.05	6,897	85.98	6,852	88.31	8,613	86.21
Provision of IT staff augmentation	533	14.95	1,124	14.02	588	7.58	480	4.80
Provision of HCM technology applications	-	-	-	-	319	4.11	830	8.31
Provision of IT-related training	-	-	-	-	-	-	68	0.68
Total	**3,565**	**100.00**	**8,021**	**100.00**	**7,759**	**100.00**	**9,991**	**100.00**

The majority of our Group's cost of sales is attributable to the provision of HCM and student management solutions comprising mainly staff cost and software licence. Staff cost is the only cost item for the provision of IT staff augmentation, provision of HCM technology applications and provision of IT-related training.

(iii) Cost of sales by subsidiaries

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Cost of sales by subsidiaries	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Rams Malaysia	573	16.07	1,860	23.19	1,830	23.59	1,988	19.90
Rams Singapore	2,432	68.22	1,998	24.91	1,682	21.67	2,097	20.99
Rams Thailand	432	12.12	4,023	50.16	3,894	50.19	4,119	41.23
Rams Vietnam	128	3.59	140	1.74	34	0.44	-	-
Rams Indonesia	-	-	-	-	-	-	1,279	12.80
Feets Malaysia	-	-	-	-	319	4.11	508	5.08
Total	**3,565**	**100.00**	**8,021**	**100.00**	**7,759**	**100.00**	**9,991**	**100.00**

The table above sets out our cost of sales by subsidiaries (after inter-company transaction eliminations) for the Financial Years Under Review.

Our Group's cost of sales is mainly from Rams Singapore representing approximately 68.22% in FYE 2017 while Rams Thailand incurred the most cost of sales in FYE 2018, FYE 2019 and FYE 2020.

12. FINANCIAL INFORMATION *(CONT'D)*

(iv) Cost of sales by geographical location

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Cost of sales by geographical location	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	573	16.07	1,860	23.19	2,150	27.70	2,414	24.16
Overseas markets								
- Singapore	2,432	68.22	1,936	24.13	1,525	19.66	2,097	20.99
- Thailand	432	12.12	4,023	50.16	3,894	50.18	4,119	41.23
- Vietnam	128	3.59	140	1.75	34	0.44	-	-
- Indonesia	-	-	-	-	-	-	1,361	13.62
- The Netherlands	-	-	62	0.77	156	2.02	-	-
Subtotal	**2,992**	**83.93**	**6,161**	**76.81**	**5,609**	**72.30**	**7,577**	**75.84**
Total	**3,565**	**100.00**	**8,021**	**100.00**	**7,759**	**100.00**	**9,991**	**100.00**

Our Group's cost of sales is mainly incurred in Malaysia, Singapore and Thailand during the Financial Years Under Review.

(v) Analysis of GP and GP margin by business activities

Our GP and GP margin for the Financial Years Under Review is set out below:

	Audited			
	FYE 2017	**FYE 2018**	**FYE 2019**	**FYE 2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	6,808	12,523	15,439	25,331
Cost of sales	(3,565)	(8,021)	(7,759)	(9,991)
GP	3,243	4,502	7,680	15,340
GP margin (%)	**47.64**	**35.95**	**49.74**	**60.56**

12. FINANCIAL INFORMATION *(CONT'D)*

Our GP and GP margin by business activities for the Financial Years Under Review is set out below:

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	GP		GP		GP/(GL)		GP	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of HCM and student management solutions	2,578	79.49	3,289	73.05	7,219	94.00	6,736	43.91
Provision of IT staff augmentation	665	20.51	1,213	26.95	702	9.14	396	2.58
Provision of HCM technology applications	-	-	-	-	(241)	(3.14)	7,851	51.18
Provision of IT-related training	-	-	-	-	-	-	357	2.33
Total GP	**3,243**	**100.00**	**4,502**	**100.00**	**7,680**	**100.00**	**15,340**	**100.00**

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	GP margin (%)	GP margin (%)	GP margin (%)	GP margin (%)
Provision of HCM and student management solutions	45.95	32.29	51.30	43.89
Provision of IT staff augmentation	55.56	51.90	54.42	45.21
Provision of HCM technology applications	-	-	*	90.44
Provision of IT-related training	-	-	-	84.00
Group GP margin	**47.64**	**35.95**	**49.74**	**60.56**

Note:

* *Not applicable due to gross loss recorded.*

The provision of HCM and student management solutions is our Group's main GP contributor, representing more than 70% during the Financial Years Under Review save for FYE 2020 whereby provision of HCM technology applications is our Group's main GP contributor at 51.18%.

In view of the nature of our HCM and student management solutions business, our cost of sales such as purchase of software licences may not correspond to our overall revenue or profitability for a given year as the cost of sales and revenue recognised in any given year varies from one to another depending on the implementation timeframe for each project which ranges between 3 months and 24 months, which can often spread over 2 financial years. In this regard, cost of sales from each HCM project will generally peak during the initial year of implementation and taper off in the following year as software licences needs to be purchased before installation of the softwares for the projects starts whereas our billings for work done will only be raised based on the project's milestones. This timing difference of cost of sales and revenue recognition might affect our yearly GP margin as shown above.

12. FINANCIAL INFORMATION *(CONT'D)*

(vi) Analysis of GP and GP margin by subsidiaries

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	GP / (GL)		GP		GP/(GL)		GP/(GL)	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Rams Malaysia	1,319	40.64	1,462	32.47	4,539	59.10	10,571	68.91
Rams Singapore	1,973	60.84	1,984	44.07	1,787	23.27	738	4.81
Rams Thailand	50	1.54	1,040	23.10	1,539	20.04	3,435	22.39
Rams Vietnam	(98)	(3.02)	16	0.36	56	0.73	-	-
Rams Indonesia	-	-	-	-	-	-	1,035	6.75
Feets Malaysia	-	-	-	-	(241)	(3.14)	(439)	(2.86)
Total	**3,243**	**100.00**	**4,502**	**100.00**	**7,680**	**100.00**	**15,340**	**100.00**

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	GP margin (%)	GP margin (%)	GP margin (%)	GP margin (%)
Rams Malaysia	69.70	44.01	71.27	84.17
Rams Singapore	44.79	49.82	51.51	26.03
Rams Thailand	10.37	20.54	28.33	45.47
Rams Vietnam	*	10.26	62.22	-
Rams Indonesia	-	-	-	44.73
Feets Malaysia	-	-	*	*
Group GP margin	**47.64**	**35.95**	**49.74**	**60.56**

Note:

* *Not applicable due to gross loss recorded.*

Rams Malaysia and Rams Singapore are our Group's main GP contributors for the FYE 2017 to FYE 2019. In FYE 2020, Rams Malaysia and Rams Thailand are our Group's main GP contributors.

12. FINANCIAL INFORMATION *(CONT'D)*

(vii) Analysis of GP and GP margin by geographical location

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	GP / (GL)		GP		GP/(GL)		GP	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	1,125	34.69	1,016	22.57	2,735	35.61	9,120	59.45
Overseas markets								
Singapore	1,745	53.81	2,046	45.45	2,052	26.72	782	5.10
Thailand	50	1.54	1,040	23.09	1,539	20.04	3,435	22.39
Vietnam	(98)	(3.02)	16	0.36	56	0.73	-	-
Indonesia	-	-	-	-	1,362	17.73	1,949	12.71
The Netherlands	193	5.95	384	8.53	(64)	(0.83)	54	0.35
Taiwan	228	7.03	-	-	-	-	-	-
Subtotal	**2,118**	**65.31**	**3,486**	**77.43**	**4,945**	**64.39**	**6,220**	**40.55**
Total	**3,243**	**100.00**	**4,502**	**100.00**	**7,680**	**100.00**	**15,340**	**100.00**

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	GP margin (%)	GP margin (%)	GP margin (%)	GP margin (%)
Malaysia	66.25	35.33	55.99	79.07
Overseas markets				
Singapore	41.78	51.38	57.37	27.16
Thailand	10.37	20.54	28.33	45.47
Vietnam	*	10.26	62.22	-
Indonesia	-	-	100.00	58.88
The Netherlands	100.00	86.10	*	100.00
Taiwan	100.00	-	-	-
Subtotal	**41.45**	**36.14**	**46.85**	**45.08**
Group GP margin (%)	**47.64**	**35.95**	**49.74**	**60.56**

Note:

* *Not applicable due to gross loss recorded.*

Malaysia and Singapore are our Group's main GP contributor for FYE 2017 to FYE 2019. In FYE 2020, Malaysia and Thailand are our Group's main GP contributor.

GP margin for the Netherlands in FYE 2017 and FYE 2020 and Taiwan in FYE 2017 is 100% as the staff costs were incurred by Rams Singapore and Rams Malaysia respectively, whereas the GP margin for Indonesia in FYE 2019 is 100% as costs were incurred by Rams Malaysia.

(viii) Commentary on cost of sales, GP and GP margin

FYE 2018 as compared to FYE 2017

Our total cost of sales increased by approximately RM4.46 million or 125.28% from RM3.56 million in FYE 2017 to RM8.02 million in FYE 2018. The increase is mainly due to the increase in cost of sales for the provision of HCM and student management solutions of approximately RM3.87 million or 127.72% from RM3.03 million in FYE 2017 to RM6.90 million in FYE 2018, which is in tandem with the increase in our total revenue for HCM and student management solutions.

Corresponding to the increase in revenue from the provision of HCM and student management solutions, we recorded higher staff cost of approximately RM1.33 million or 46.83% from RM2.84 million in FYE 2017 to RM4.17 million in FYE 2018 as we increased our number of employees from 42 personnel as at 31 December 2017 to 66 personnel as at 31 December 2018 due to increase in projects undertaken for HCM and student management solutions. Of the 66 personnel, 9 personnel were employed for the provision of IT staff augmentation. We also recorded an increase in software licences cost in FYE 2018 by approximately RM3.08 million in line with the increase in our HCM and student management solutions projects.

In FYE 2018, our GP increased by approximately RM1.26 million or 38.89% from RM3.24 million in FYE 2017 to approximately RM4.50 million in FYE 2018 which is mainly contributed from the increase in revenue from provision of HCM and student management solutions of approximately RM4.58 million or 81.64%.

However, we recorded a decrease in GP margin from 47.64% in FYE 2017 to 35.95% in FYE 2018. The overall decrease in GP margin is because the GP margin for the provision of HCM and student management solutions decreased from 45.95% in FYE 2017 to 32.29% in FYE 2018, mainly due to the increase in staff costs by RM1.30 million and software licences by RM3.08 million which has to be incurred for our new customers and projects undertaken.

The GP margin of Rams Malaysia has also decreased from 69.70% in FYE 2017 to 44.01% in FYE 2018 mainly due to the increased in number of employees in Rams Malaysia from 13 personnel as at 31 December 2017 to 28 personnel as at 31 December 2018.

FYE 2019 as compared to FYE 2018

Our total cost of sales decreased by approximately RM0.26 million or 3.24% from RM8.02 million in FYE 2018 to RM7.76 million in FYE 2019 although our total revenue has increased in FYE 2019 by RM2.92 million or 23.32%.

The cost of sales for the provision of HCM and student management solutions was consistent with the previous year with a slight decrease of approximately RM0.05 million or 0.72% from RM6.90 million in FYE 2018 to RM6.85 million in FYE 2019. Even though staff cost has increased by approximately RM0.78 million or 18.70% in FYE 2019 together with the increase in subcontractor fees of approximately RM0.43 million as a result of new HCM projects which required engagement of subcontractors to undertake certain scopes of work such as customisation of software and data migration and support services, software licences decreased by approximately

RM1.47 million or 38.68% in FYE 2019 as the cost for purchasing software licences pertaining to implementation of HCM solutions projects have already been incurred in FYE 2018 and lower licence fees charged by software vendors for renewal in the second year for P.R Recruitment and Business Management Co. Ltd of approximately RM0.61 million.

The cost of sales for provision of IT staff augmentation decreased by approximately RM0.53 million or 47.32% from RM1.12 million in FYE 2018 to RM0.59 million in FYE 2019 which is in line with the decrease in revenue from the same by approximately RM1.05 million or 44.87%. Despite the decrease in total cost of sales, we have started incurring staff cost in relations to the provision of HCM technology applications in FYE 2019, amounting to approximately RM0.32 million which is in line with the commencement in revenue generated from our in-house employee engagement mobile application Feet's.

In FYE 2019, our overall GP increased by approximately RM3.18 million or 70.67% from the preceding financial year from approximately RM4.50 million in FYE 2018 to approximately RM7.68 million in FYE 2019. This was mainly due to increase in revenue contribution from the provision of HCM and student management solutions of approximately RM3.89 million or 38.19% from FYE 2018 and lower software licence cost in FYE 2019 as some of the licence cost has been captured at the early stage of the project in FYE 2018. Notwithstanding the above, in FYE 2019 the Group recorded an increase in staff cost due to increase in headcount of 84 personnel compared to 66 personnel in FYE 2018. Further, the overall increase in GP was offset with a gross loss position of our HCM technology applications segment of RM0.24 million. This is a new business segment which has only generated revenue of approximately RM0.08 million in FYE 2019, whilst the cost incurred since the beginning of FYE 2019 of approximately RM0.32 million.

In view of the increase in our revenue and GP, our overall GP margin had also increased from 35.95% in FYE 2018 to 49.74% in FYE 2019 due to improved GP margin for the provision of HCM and student management solutions which increased from 32.29% in FYE 2018 to 51.30% in FYE 2019.

The GP margin of Rams Malaysia has also increased from 44.01% in FYE 2018 to 71.27% in FYE 2019 due to Rams Malaysia having incurred a similar amount of cost of sales in FYE 2018 to generate additional RM3.05 million or 91.87% more revenue in FYE 2019.

FYE 2020 as compared to FYE 2019

Our total cost of sales increased by approximately RM2.23 million or 28.77% from RM7.76 million in FYE 2019 to RM9.99 million in FYE 2020. The increase is mainly due to the increase in cost of sales for the provision of HCM and student management solutions of approximately RM1.76 million or 25.70% from RM6.85 million in FYE 2019 to RM8.61 million in FYE 2020, which is in tandem with the increase in our total revenue for HCM and student management solutions.

Corresponding to the increase in revenue from the provision of HCM and student management solutions, we recorded higher staff cost of approximately RM1.41 million or 28.53% from RM4.95 million in FYE 2019 to RM6.36 million in FYE 2020 mainly due to a net increase of 18 staff in FYE 2020 which consist of increase in 12 new staff for provision for HCM and student management solution, and increase in 9 new staffs for R&D of Feet's which was offset with decrease of 3 staff for provision of IT staff augmentation. We also recorded an increase in software licences cost in FYE 2020 by approximately RM0.33 million which is in line with the increase in higher value projects undertaken for our HCM and student management solutions. Subcontractor fees increased by approximately RM0.49 million from RM0.48 million in FYE 2019 to

RM0.97 million in FYE 2020 mainly due to new project with PT Sigma Solusi Integrasi which amounted to RM0.34 million and project with Export-Import Bank of Thailand which amounted to RM0.12 million. The subcontractor was engaged because the Group does not have the expertise to perform the specific services. These services are mainly for HCM base cloud service to conduct process playback, build integration, data migration, configuration and others.

The cost of sales for provision of IT staff augmentation decreased by approximately RM0.11 million or 18.37% from RM0.59 million in FYE 2019 to RM0.48 million in FYE 2020 which is in line with the decrease in revenue from the same by approximately RM0.41 million or 32.09% from RM1.29 million in FYE 2019 to RM0.88 million in FYE 2020.

The cost of sales for provision of HCM technology applications increased by RM0.51 million or 160.19% from RM0.32 million in FYE 2019 to RM0.83 million in FYE 2020 due to staff costs incurred for project with Megatech amounted to RM0.32 million and cost related to the development of Feet's and Lark which cannot be capitalised amounted to RM0.19 million.

In FYE 2020, our overall GP increased by approximately RM7.66 million or 99.74% from RM7.68 million in FYE 2019 to RM15.34 million in FYE 2020. This was mainly due to increase in revenue contribution from the provision of HCM technology applications of approximately RM8.60 million from RM0.08 million in FYE 2019 to RM8.68 million in FYE 2020.

The overall increase in GP was offset with decrease of GP from the provision of HCM and student management solutions and provision of IT staff augmentation by RM0.48 million and RM0.31 million respectively in FYE 2020. The GP decreased from the provision of HCM and student management solutions despite the increase in revenue is mainly due to the increase of 12 new personnel from 52 personnel in FYE 2019 to 64 personnel, resulting in an increase in staff cost by RM0.94 million in FYE 2020. In view of this, the GP margin for the provision of HCM and student management solutions decreased from 51.30% in FYE 2019 to 43.89% in FYE 2020.

The GP decreased from the provision of IT staff augmentation due to no new project from a local financial institution in FYE 2020 upon completion of the existing project. Our revenue from the provision of IT staff augmentation decreased by approximately RM0.41 million or 32.09% from RM1.29 million in FYE 2019 to RM0.88 million in FYE 2020. In addition, the decrease in GP margin from provision of IT staff augmentation is due to lower GP margin for Epicenter Amsterdam project with Rams Singapore due to staff in Singapore being more expensive as there was limited resource available in Singapore at that time.

Our overall GP margin increased from 49.74% in FYE 2019 to 60.56% in FYE 2020 due to higher GP margin for the provision of HCM technology applications and provision of IT-related training of 90.44% and 84.00% respectively. The increase in GP margin was mainly due to the project with Megatech which contributed RM9.03 million in revenue whilst the cost incurred is only RM0.39 million. The low cost is mainly attributable to the utilisation of existing staff in relation to the implementation of the Lark platform and online-training services. Besides the staff cost, the project with Megatech does not bear the cost of the Lark licence or Lark platform as these are separately provided by third party. In view of this, the GP margin of Rams Malaysia has also increased from 71.27% in FYE 2019 to 84.17% in FYE 2020 due to Rams Malaysia having incurred an almost similar amount of cost of sales in FYE 2019 to generate an additional RM6.19 million or 97.19% more revenue in FYE 2020.

12. FINANCIAL INFORMATION *(CONT'D)*

The GP margin of Rams Thailand increased from 28.33% in FYE 2019 to 45.47% in FYE 2020 which is in line with the increase of its revenue by 39.04%, mainly due to revenue from Exim-Import Bank of Thailand and Bank Of Ayudhya Public Co., Ltd while the cost of sales recorded slight increase of 5.78%.

Notwithstanding the increase of our overall GP margin, Rams Singapore reported a decrease of GP margin from 51.51% in FYE 2019 to 26.03% in FYE 2020 due to no revenue recorded from Ascendas Land (Singapore) Pte Ltd upon completion of project and increase of cost of sales due to additional one operational staff.

(The rest of this page is intentionally left blank)

12. FINANCIAL INFORMATION *(CONT'D)*

12.3.2.3 Other income

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Other income	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Bank rebates	-	-	-	-	9	7.03	2	0.39
Gain on disposal of equipment	-	-	-	-	*	*	48	9.47
Realised gain on foreign exchange	*	*	6	100.00	80	62.50	-	-
Unrealised gain on foreign exchange	-	-	-	-	27	21.09	24	4.73
Interest income	2	1.48	*		5	3.91	6	1.18
Refund of rental deposit	-	-	-	-	-	-	19	3.35
Government subsidy/incentive	124	91.85	-	-	-	-	263	51.87
Miscellaneous	9	6.67	-	-	7	5.47	2	0.39
Rental income	-	-	-	-	-	-	36	7.10
Rent concessions	-	-	-	-	-	-	107	21.10
Total	**135**	**100.00**	**6**	**100.00**	**128**	**100.00**	**507**	**100.00**

Note:

* *Amount less than RM1,000*

Commentary:

FYE 2018 as compared to FYE 2017

Our Group's other income decreased by approximately RM0.13 million or 92.86% from RM0.14 million in FYE 2017 to RM0.01 million in FYE 2018. This is mainly due to a subsidy given by the Government of Singapore, namely, Productivity and Innovation Credit Scheme in FYE 2017 for the amount of RM0.12 million. The Productivity and Innovation Credit Scheme encourages businesses to claim up to 400% tax deductions/allowances and / or 60% cash payout for year of assessment 2011 to 2018 for investments in research and development, innovation, automation and training.

FYE 2019 as compared to FYE 2018

Our Group's other income increased by approximately RM0.12 million from RM0.01 million in FYE 2018 to RM0.13 million in FYE 2019. The increase was mainly attributable to the increase in realised and unrealised gain on foreign exchange by approximately RM0.08 million and RM0.03 million respectively as a consequence of higher appreciation of both SGD and THB against RM in FYE 2019 as compared to FYE 2018. For illustration purposes, the average rate in FYE 2018 was RM1: SGD2.99 and RM1: THB0.12 as compared to average rate in FYE 2019 of RM1: SGD3.04 and RM1: THB0.13.

FYE 2020 as compared to FYE 2019

Our Group's other income increased by approximately RM0.38 million from RM0.13 million for FYE 2019 to RM0.51 million for FYE 2020. The increase was mainly attributable to wage subsidy of RM0.13 million given by the Government and the Government of Singapore respectively in FYE 2020 due to the COVID-19 pandemic. Due to the COVID-19 pandemic, we were also given a rent concession of RM0.11 million in FYE 2020 for our office in Tamarind Square from 1 March 2020 to September 2020.

12.3.2.4 Administrative expenses

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Administrative expenses	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Advertisement and marketing	433	16.34	119	5.07	203	5.98	469	8.17
Commission expenses	-	-	31	1.32	34	1.00	20	0.35
Consultant and freelance	-	-	-	-	115	3.39	-	-
Directors' fees and remuneration	960	36.23	963	41.00	674	19.86	1,001	17.44
Insurance	107	4.04	86	3.66	118	3.48	212	3.69
Office expense	70	2.64	41	1.75	72	2.12	62	1.08
Professional fees (1)	184	6.94	145	6.17	277	8.16	342	5.96
Rental	126	4.75	148	6.32	151	4.45	135	2.35
Staff cost	327	12.34	483	20.56	947	27.90	2,712	47.25
Subscription fees	111	4.19	86	3.66	119	3.51	131	2.28
Training	7	0.26	4	0.17	26	0.77	12	0.21
Travelling and accommodation	115	4.35	80	3.41	108	3.18	222	3.87
Utilities	72	2.72	69	2.94	72	2.12	80	1.39
Withholding tax	-	-	-	-	257	7.57	-	-
Others (2)	138	5.20	94	3.99	221	6.51	342	5.96
Total	**2,650**	**100.00**	**2,349**	**100.00**	**3,394**	**100.00**	**5,740**	**100.00**

Notes:

(1) Includes fees paid for accounting services, auditors and lawyers.

(2) Includes tax expenses (unclaimed VAT and withholding tax) and other miscellaneous expenses such as upkeep of motor vehicles, medical expenses, and delivery charges.

Our Group's administrative expenses mainly comprise of staff cost, directors' remuneration, advertisement and marketing expenses and rental.

Staff cost mainly consist of salaries, bonuses, incentives, employees' provident fund contributions, allowances and other staff-related expenses.

Rental expenses are rental for our offices in Singapore, Thailand, Vietnam and Indonesia (rental for Indonesia only started in FYE 2019). Our office in Malaysia did not incur any rental expenses as the offices are owned by Rams Malaysia until it relocated its operation to Tamarind Square in January 2020 with a monthly rental of RM0.02 million. We have been granted a free-rental-period of 6 months effective from 1 September 2019 as per the tenancy agreement, details of which are set out in Section 6.22.2 of this Prospectus. Upon expiry of the free-rental-period, we were given a further 6 months until 30 September 2020 of free rental due to the COVID-19 pandemic. Thereafter, we have continued to pay a monthly rental of RM0.02 million.

Commission expenses are commission paid to our sales and marketing staff in Rams Thailand who have met the revenue target set by our Group.

Subscription fees are fees paid to use IT software licences.

Commentary:

<u>FYE 2018 as compared to FYE 2017</u>

For FYE 2018, administrative expenses decreased by approximately RM0.30 million or 11.32% to RM2.35 million as compared to the previous financial year. The decrease was mainly attributable to the following:

(i) decrease of advertisement and marketing cost by approximately RM0.31 million or 72.09% due to higher marketing cost incurred in FYE 2017 as we were expanding our business in Thailand. We recorded an increase of revenue in Thailand by approximately RM4.58 million or 954.16% in FYE 2018; and

(ii) decrease of professional fees by approximately RM0.04 million or 22.22% due to more professional services required in FYE 2017 for our GST submission purposes.

The decrease in administrative expenses was offset with an increase in staff cost by approximately RM0.15 million or 45.45% due to 4 additional staff in our HR, finance and administration department in FYE 2018.

<u>FYE 2019 as compared to FYE 2018</u>

For FYE 2019, administrative expenses increased by approximately RM1.05 million or 44.49% to RM3.39 million as compared to the previous financial year. The increase was mainly attributable to the following:

(i) increase of advertisement and marketing cost by approximately RM0.08 million or 70.59% due to our effort in expanding our business in Indonesia, where we first recorded a revenue of RM1.36 million in Indonesia in FYE 2019;

(ii) consultant and freelance cost of RM0.12 million was incurred in FYE 2019, out of which RM0.05 million was engagement of ad-hoc IT consultants for Rams Thailand and part-time administrative staff for Rams Indonesia;

(iii) increase of professional fees by approximately RM0.13 million or 91.03% mainly due to an increase of RM0.05 million for accounting services engaged for our new subsidiary, Rams Indonesia;

(iv) increase of staff cost by approximately RM0.46 million or 95.83% due to 15 additional staff, out of which 11 staff was employed for our sales and marketing department for Feets Malaysia and Feets Indonesia, collectively; and

(v) withholding tax amounting of RM0.26 million in FYE 2019, out of which RM0.07 million was withheld by our client in Taiwan in relation to the provision of HCM and student management solutions in FYE 2017. The said tax was paid to the Government of Taiwan. The balance of the withholding tax of RM0.19 million was VAT incurred for certain expenses pertaining to our projects in Thailand in 2018. We were unable to claim VAT refund on such expenses, and therefore were expensed off in FYE 2019.

The increase in administrative expenses in FYE 2019 was offset with the decrease of directors' fees and remuneration by approximately RM0.29 million or 30.21% to RM0.68 million. Our directors decided to draw lower fees and remuneration in view of the appointment of 2 new managers employed in FYE 2019, i.e. 1 for Rams Malaysia and 1 for Rams Indonesia.

FYE 2020 as compared to FYE 2019

For FYE 2020, administrative expenses increased by approximately RM2.35 million or 69.12% to RM5.74 million as compared to the previous financial year. The increase was mainly attributable to the following:

(i) increase of staff cost by approximately RM1.77 million or 186.38% due to 23 additional staff employed, out of which 5 staff were employed in management level. The 5 management level staff were 3 managing directors, a financial controller and a manager. The 3 managing directors (for Rams Malaysia, Rams Thailand and Rams Indonesia) together with the manager (for Rams Singapore) were newly hired in 2020 to fill up newly created positions in the respective subsidiaries which is in line with the business expansion of the Group. The roles of these 3 managing directors were previously undertaken by both Tan Chee Seng and Lee Miew Lan. They are reporting to Tan Chee Seng. The managing directors are responsible for business expansion in their respective countries. The new financial controller ("**FC**") was appointed in April 2020 to replace Soh Meng Siit, the former FC who was promoted as the Chief Financial Officer ("**CFO**") in February 2020. The FC is presently reporting to the CFO.

    In addition, in Rams Malaysia, 8 new staff were hired in sales and marketing department to promote the Group's product and services, 6 new staff were hired in administrative and human resource department and 1 new finance staff was hired for business expansion. In Rams Thailand, 1 new staff was hired in administrative and human resource department to assist the new managing director in Rams Thailand. In Rams Indonesia, 2 new finance staff were hired for business expansion as well. The total additional staff costs for the staff that was hired for business expansion amounted to RM1.49 million, out of which RM0.15 million are for 6 staffs hired in sales and marketing department of Rams Malaysia which are part of the Group's future plans;

(ii) increase in travelling and accommodation cost by approximately RM0.11 million or 105.56% which is in line with the increase in revenue from overseas markets by 30.73%, and additional accommodation cost for one of our Indian staff who was in Thailand for a project and was unable to return to India due to travel restriction for 6 months. Upon returning to India, we have incurred accommodation cost for the Indian staff to undertake self-quarantine;

(iii) increase in advertisement and marketing cost by approximately RM0.27 million or 131.03% mainly due to entertainment and marketing expenses such as food and beverages and advertisement slots in Facebook for Megatech which we subsequently successfully obtained;

(iv) increase in directors' fees and remuneration by approximately RM0.33 million or 48.52%, out of which, RM0.21 million was due to the appointment of Liew Yu Hoe as our Director on 17 September 2019;

(v) increase in insurance expenses by approximately RM0.09 million or 79.66% mainly due to UOB Bank's loan guaranteed insurance of RM0.07 million and insurance for our Directors, Tan Chee Seng and Lee Miew Lan of RM0.02 million;

(vi) increase in professional fees by approximately RM0.07 million or 23.47% mainly due to legal fees of RM0.02 million to prepare the agreement for Megatech in relation to provision of HCM technology applications and IT-related training and increase in auditors' fees by RM0.05 million; and

(vii) increase in other expenses by approximately RM0.12 million or 54.75% mainly due to higher tax expenses of RM0.08 million in regard to withholding tax of RM0.06 million on dividend declared and paid by Rams Thailand to Rams Malaysia.

The increase in administrative expenses in FYE 2020 was offset with no expenses incurred for consultants and freelance which were ad-hoc IT consultants for Rams Thailand and part-time administrative staff for Rams Indonesia previously engaged in FYE 2019 and no longer required in FYE 2020.

(The rest of this page is intentionally left blank)

12. FINANCIAL INFORMATION *(CONT'D)*

12.3.2.5 Other expenses

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Other expenses	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Depreciation	358	87.10	345	19.67	443	98.66	463	22.94
Loss on disposal of equipment	36	8.76	-	-	-	-	-	-
Realised loss on foreign exchange	9	2.19	-	-	-	-	9	0.45
Unrealised loss on foreign exchange	8	1.95	12	0.68	2	0.45	71	3.52
Preliminary expenses	-	-	-	-	4	0.89	-	-
Impairment on goodwill	-	-	1,397	79.65	-	-	-	-
Listing expenses	-	-	-	-	-	-	1,475	73.09
Total	**411**	**100.00**	**1,754**	**100.00**	**449**	**100.00**	**2,018**	**100.00**

Commentary:

FYE 2018 as compared to FYE 2017

For FYE 2018, other expenses increased by approximately RM1.34 million or 326.76% to RM1.75 million as compared to FYE 2017. The increase was mainly attributable to a one-off impairment of goodwill in relation to the acquisition of 50.97% equity interest in Feets Malaysia amounting to approximately RM1.40 million in FYE 2018. The goodwill arising from the acquisition was impaired off as Feets Malaysia had negative retained earnings at the point of acquisition. Our Group valued Feets Malaysia based on its intrinsic value of its mobile application Feet's, but adopted a prudent approach by impairing the goodwill in FYE 2018 in view of the negative retained earnings.

FYE 2019 as compared to FYE 2018

For FYE 2019, other expenses decreased by approximately RM1.31 million or 74.40% to RM0.45 million as compared to the previous financial year mainly due to no impairment of goodwill in FYE 2019 as compared to FYE 2018.

FYE 2020 as compared to FYE 2019

For FYE 2020, other expenses increased by approximately RM1.57 million or 349.44% as compared to the previous financial year mainly due to payment of professional fees of RM1.48 million in relations to our IPO which cannot be capitalised.

12.3.2.6 Impairment losses on financial assets

In FYE 2017, we recorded an impairment loss on trade receivables of RM0.02 million arising from the amount outstanding from 2 Vietnamese clients which we were unable to collect after numerous attempts.

In FYE 2020, we recorded an impairment loss on trade receivables of RM0.21 million which was determined based on the expected credit losses to be derived from the respective aging bracket of the trade receivables as at 31 December 2020 which is in accordance with MFRS 9.

In FYE 2020, we also recorded an impairment loss on other receivables of RM0.02 million recognised specifically on an amount long outstanding which exceeded 1 year. This amount is related to advance to supplier for IT related procurement for Rams Vietnam. The supplier, has been dissolved and the management has attempted to contact the supplier to recover the amount, but was unable to reach them. Thus, the management is of the opinion that the outstanding balances are unable to be collected and be impaired accordingly.

12.3.2.7 Finance costs

Our finance costs consist of interest expenses incurred on our bank overdraft, term loan, flexi loan and hire purchase / lease.

The breakdown of our finance costs is as follows:

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
Finance costs	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Lease liabilities interest	-	-	-	-	36	26.28	32	7.22
Hire purchase interest	22	11.58	27	15.08	-	-	-	-
Overdraft interest	35	18.42	39	21.79	17	12.41	49	11.06
Flexi loan interest	31	16.32	31	17.32	30	21.90	23	5.19
Term loan interest	95	50.00	68	37.99	38	27.73	95	21.45
RCPS interest	-	-	-	-	-	-	244	55.08
Others	7	3.68	14	7.82	16	11.68	-	-
Total	**190**	**100.00**	**179**	**100.00**	**137**	**100.00**	**443**	**100.00**

We utilise bank overdraft and term loan to finance our working capital; while flexi loan is utilised for financing our purchase of an office at Central Business District Perdana 2 and a SOHO at Cybersquare, details of which are set out in Section 6.22.1 of this Prospectus. Hire purchase / Lease is utilised to finance our purchase of motor vehicles for our Group.

Comparison between FYE 2018 and FYE 2017

For FYE 2018, finance costs decreased by approximately RM0.01 million as compared to the previous financial year mainly due to decrease in term loan interest by RM0.03 million as one of our term loan in Singapore have been fully settled in FYE 2018.

Comparison between FYE 2019 and FYE 2018

For FYE 2019, finance costs decreased by approximately RM0.04 million as compared to the previous financial year mainly due to decrease in term loan by RM0.03 million in FYE 2019.

Comparison between FYE 2020 and FYE 2019

For FYE 2020, finance costs increased by approximately RM0.31 million as compared to the previous financial year mainly due to the interest for the RCPS of RM0.24 million. Further details of the RCPS is in Section 5.5.1 of this Prospectus. Further, term loan interest increased by RM0.06 million due to additional term loans undertaken by the Group amounting to RM1.97 million for working capital purposes.

12.3.2.8 Profits, margins and tax rates

Our Group's profit and effective tax rates are as follows:

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
PBT (RM'000)	112	226	3,828	7,415
Tax at the applicable statutory tax rate 24% (RM'000)	27	54	919	1,780
Tax effects of: -				
Non-deductible expenses (RM'000)	283	418	579	456
Non-taxable income (RM'000)	(360)	(356)	(1,188)	(1,906)
Deferred tax assets not recognised for the financial year (RM'000)	17	66	243	236
Utilisation of deferred tax asset previously not recognised (RM'000)	(51)	-	(350)	(64)
Effects of differential in tax rates (1) (RM'000)	(13)	(85)	(116)	(87)
Under/(over) provision in the previous financial year (RM'000)	121	(48)	(59)	-
Taxation (RM'000)	(24)	(49)	(28)	(415)
PAT (RM'000)	88	177	3,800	7,000
Non-controlling interest (RM'000)	-	-	694	533
PATAMI (2) (RM'000)	88	177	4,494	7,533
PBT margin (%)	1.65	1.80	24.79	29.27
PAT margin (%)	1.29	1.41	24.61	27.63
PATAMI margin (%)	1.29	1.41	29.11	29.74
Group effective tax rate (3) (%)	21.43	21.68	0.73	5.60
Statutory tax rate (%)				
- Rams Malaysia	24	24	24	24
- Rams Singapore	17	17	17	17
- Rams Thailand	15	20	20	20
- Rams Vietnam	20	20	20	20
- Rams Indonesia	25	25	25	25
- Feets Malaysia	24	24	24	24
- Feets Indonesia	25	25	25	25

Notes:

(1) Effects of differential in tax rates is computed based on the tax effects of the difference between the Group tax rate of 24% against the statutory tax rate of each subsidiary.

(2) Profit attributable to the owners of the Company.

(3) Group effective tax rate is computed based on Group's total taxation over PBT. As the respective companies within the Group are subjected to the statutory tax rate of the respective jurisdictions, thus the effective tax rate of the Group will be affected by the statutory tax rates of the respective jurisdictions.

Commentary:

FYE 2018 as compared to FYE 2017

For FYE 2018, as a result of increase in revenue and GP, our PBT improved from RM0.11 million for FYE 2017 to RM0.23 million for FYE 2018. Our PBT margin improved slightly from 1.65% for FYE 2017 to 1.80% for FYE 2018 as lesser administrative expenses was incurred in FYE 2018, despite our GP margin decreased from 47.64% in FYE 2017 to 35.95% in FYE 2018 as mentioned in Section 12.3.2.2(v) of this Prospectus.

In line with the improvement of our PBT and PBT margin in FYE 2018, our PAT and PAT margin for FYE 2018 have also improved. Our PAT improved from RM0.09 million for FYE 2017 to RM0.18 million for FYE 2018. Our PAT margin improved from 1.29% in FYE 2017 to 1.41% in FYE 2018.

The effective tax rate of our Group for FYE 2017 and FYE 2018 remained consistent at 21.43% and 21.68% respectively. The slight increase in effective tax rate of 0.25% is due to increase in non-deductible expenses of RM0.42 million in FYE 2018 as compared to RM0.28 million in FYE 2017 and increase in deferred tax asset not recognised in the financial year of RM0.07 million in FYE 2018 as compared to RM0.02 million in FYE 2017; despite the off-setting effects of differential in tax rates of foreign subsidiaries of RM0.09 million and over provision of taxation in the previous financial year of RM0.05 million, respectively in FYE 2018.

In FYE 2017, the Group tax expenses was entirely contributed by Rams Malaysia whilst Rams Thailand and Rams Vietnam recorded a loss before tax, resulting in no income tax from both companies. Rams Singapore did not contribute any tax expenses despite recording a PBT, due to utilisation of deferred tax asset previously not recognised. In FYE 2018, the Group tax expenses was mainly contributed from Rams Thailand whilst Rams Singapore recorded a negative tax expense due to overprovision of tax in previous financial year and loss before tax in FYE 2018.

Rams Malaysia has been granted Pioneer Status for 100% tax exemption for a period of 5 years, which expired on 20 November 2019 and was subsequently renewed for a further period of 5 years until 20 November 2024. In view of the Pioneer Status, the non-taxable income of our Group in FYE 2017 amounted to RM0.36 million.

FYE 2019 as compared to FYE 2018

For FYE 2019, as a result of increase in revenue and GP from the provision of our HCM and student management solutions, our PBT improved from RM0.23 million for FYE 2018 to RM3.83 million for FYE 2019. Our PBT margin have improved from 1.80% in FYE 2018 to 24.79% in FYE 2019 due to increase in our GP margin from 35.95% in FYE 2018 to 49.74% in FYE 2019 due to the timing differences in recognising cost of sales and revenue as explained in Section 12.3.2.2(v) of this Prospectus. Further, higher PBT margin in FYE 2019 is due to a one-off impairment on goodwill in relation to the acquisition of Feets Malaysia of RM1.40 million in FYE 2018. For illustrative purposes, assuming that the one-off impairment on goodwill is excluded, the PBT margin would be 12.98% in FYE 2018 instead of 1.80%.

In line with our increase in PBT, our PAT increased by RM3.62 million from RM0.18 million in FYE 2018 to RM3.80 million in FYE 2019. PAT margin has also increased from 1.41% in FYE 2018 to 24.61% in FYE 2019 for the similar reasons as explained above. The effective tax rate decreased to 0.73% due to tax effects of non-taxable income of RM1.19 million in FYE 2019 as compared to RM0.36 million in FYE 2018. RM1.09 million of the tax effects of non-taxable income is referring to the income generated by Rams Malaysia which is exempted from income tax due to the Pioneer Status granted to Rams Malaysia which is effective up to 20 November 2019 while the balance of RM0.10 million was from Rams Singapore for gain on disposal of Rams Vietnam. In addition, the decrease in effective tax rate is due to utilisation of deferred tax asset previously not recognised of RM0.35 million and effects of differential in tax rates of foreign subsidiaries of RM0.12 million. In view of the Pioneer Status, all income generated by Rams Malaysia (except for non-pioneer income such as training-related services under consulting for HCM and student management solutions) that was earned between 1 January 2019 to 20 November 2019 are tax exempted. Non-pioneer income only amounted to approximately RM0.02 million during this period.

Despite Rams Malaysia's Pioneer Status, the Group tax expenses in FYE 2019 was mainly contributed from Rams Malaysia. Rams Singapore did not contribute any tax expenses despite recording a PBT, due to utilisation of deferred tax asset previously not recognised. The other companies within the Group recorded loss before tax, resulting in no tax expenses from them.

FYE 2020 as compared to FYE 2019

For FYE 2020, as a result of increase in revenue and GP, our PBT improved from RM3.83 million for FYE 2019 to RM7.42 million for FYE 2020. Our PBT margin increased from 24.79% in FYE 2019 to 29.27% in FYE 2020 which is in line with the increase in our GP margin from 49.74% in FYE 2019 to 60.56% in FYE 2020.

In line with our increase in PBT, our PAT increased by RM3.20 million from RM3.80 million in FYE 2019 to RM7.00 million in FYE 2020. PAT margin has also increased from 24.61% in FYE 2019 to 27.63% in FYE 2020 for the similar reasons as explained above. The effective tax rate increased to 5.60% in FYE 2020 mainly due to increase in revenue from Rams Malaysia and Rams Thailand. Although Rams Malaysia has been granted pioneer status for 100% tax exemption on specific business activities, the revenue from the IT-related training and sale of software licence is not entitled for the pioneer status tax exemption. In addition, the increase in effective tax rate is due to decrease in utilisation of deferred tax asset previously not recognised of RM0.35 million in FYE 2019 as compared to RM0.06 million in FYE 2020; despite the increase in non-taxable income of RM1.91 million in FYE 2020 as compared to RM1.19 million in FYE 2019. The non-taxable income is mainly due to the income generated by Rams Malaysia which is exempted from income tax due to the Pioneer Status granted to Rams Malaysia.

The Group tax expenses is mainly contributed by Rams Thailand. Despite Rams Malaysia being the largest contributor to the Group's profit after tax for FYE 2020, its contribution to tax expense of the Group is minimal due to its Pioneer Status. The remaining companies within the Group recorded a loss before tax, resulting in no income tax from them.

12.3.3 Liquidity and capital resources

12.3.3.1 Working capital

We have been financing our operations through existing cash and bank balances, cash generated from our operations and external sources of funds. Our external sources of funds mainly comprise term loans, flexi loans, bank overdrafts as well as hire purchase financing. As at 31 December 2020, we have:

(i) cash and bank balances of approximately RM2.84 million; and

(ii) bank borrowings (excluding lease liabilities recognised under MFRS 16) up to a limit of RM4.51 million, of which RM4.37 million has been utilised.

The interest rate of our borrowings is based on prevailing market rates. Currently, the principal use of our borrowings is for our Group's business growth and operations, for the acquisition of property, as well as for working capital purposes.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, amongst others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and the interest rate on borrowings.

Our Board is confident that, our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, after taking into account the following:

(i) our gearing and cash flow position;

(ii) banking facilities currently available to our Group;

(iii) our proceeds from the IPO exercise;

(iv) our future plans set out in Section 6.6 of this Prospectus; and

(v) net current asset position as at 31 December 2020.

At this juncture, we do not foresee any circumstances which may materially affect our liquidity. Our Group has not encountered any major disputes with our debtors. Our finance personnel work together closely with our sales and marketing staff for the collection of these outstanding balances on a monthly basis. This measure has proven to be effective while maintaining a cordial relationship with our customers.

12.3.3.2 Cash flows

The table below sets out the summary of our Group's historical audited combined statements of cash flows for the Financial Years Under Review.

Our cash and cash equivalents are mostly held in RM and some amount in THB, USD, SGD, IDR and VND. Where cash is held in foreign currencies, there may be an exchange rate fluctuation effect on the cash held.

There are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer / receive funds to / from our Company, subject to availability of distributable reserves and compliance with financial covenants, in the form of cash dividends, loans or advances.

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Net cash (for) / from operating activities	(369)	1,093	7,140	1,711
Net cash from / (for) investing activities	231	(385)	(1,771)	(903)
Net cash for financing activities	(519)	(651)	(2,015)	(1,788)
Net (decrease) / increase in cash and cash equivalents	**(657)**	**57**	**3,354**	**(980)**
Effects of foreign exchange translation	(21)	(7)	37	(59)
Cash and cash equivalent at beginning of the year	512	(166)	(116)	3,275
Cash and cash equivalent at end of the year	**(166)**	**(116)**	**3,275**	**2,236**

Commentary of cash flows:

FYE 2017

(i) Net cash for operating activities

For FYE 2017, our operating profit before working capital changes is approximately RM0.72 million. After adjusting for the following key items, we have a negative net operating cash flow of approximately RM0.37 million:

(a) the increase in our contract assets by approximately RM0.15 million due to revenue recognised for a project in last quarter of FYE 2017 but was only billed in the 1st quarter of FYE 2018;

(b) the increase in our trade and other receivables by approximately RM0.63 million due to payments made on behalf by our Group for R&D expenses incurred for the mobile application development of Feet's;

(c) the increase in amount owing by directors by RM0.36 million due to advances made from our Group; and

(d) the increase in our trade and other payables by approximately RM0.16 million due to purchase of software licences required for our projects.

The negative net operating cash flow of RM0.37 million is mainly due to payments made on behalf by the Group for R&D expenses incurred for the mobile application development of Feet's amounting to RM0.85 million which consists of mainly staff costs for R&D. Notwithstanding the negative net operating cash flow in FYE 2017, we remained profitable for FYE 2017 with a cash position and current ratio as follows:

	FYE 2017
	RM'000
PAT / PATAMI	88
Cash and bank balances	504
Current ratio (times)	1.59

(ii) Net cash from investing activities

We recorded a net cash of RM0.23 million in our investing activities in FYE 2017, mainly due to proceeds from insurance reimbursement of RM0.33 million for a stolen motor vehicle.

(iii) Net cash for financing activities

In FYE 2017, the cash for financing activities of RM0.52 million was mainly due to:

(a) repayment of borrowings of RM0.51 million;

(b) repayment of hire purchase of RM0.38 million;

(c) interest paid for our borrowings and hire purchase of RM0.15 million;

(d) a drawdown of term loan of RM0.36 million for working capital purposes; and

(e) proceeds of RM0.15 million arising from the issuance of ordinary shares in Rams Malaysia to its existing shareholders for capital injection purposes.

FYE 2018

(i) Net cash from operating activities

For FYE 2018, our operating profit before working capital changes is approximately RM2.16 million. After adjusting for the following key items, our operating cash flow is approximately RM1.09 million:

(a) the increase in amount owing by related parties by RM3.03 million out of which RM2.69 million was amount owing by Feets Malaysia for payments made on behalf by our Group for R&D expenses incurred for the mobile application development of Feet's amounting to RM2.13 million consisting of staff costs and third party consultants engaged for the R&D, management fees charged to Feets Malaysia amounting to RM0.06 million, advances to Feets Malaysia amounting to RM0.50 million and the balance of RM0.34 million was amount owing by Springbok Consulting Sdn Bhd for advances to Springbok Consulting Sdn Bhd for its operating expenses and have since been paid off in FYE 2019;

(b) the decrease in our contract assets by approximately RM0.15 million due to all revenue recognised in FYE 2018 has been billed accordingly. Hence, no contract assets recorded as at 31 December 2018;

(c) the decrease in our trade and other receivables by approximately RM1.33 million due to improvement in collection from our debtors;

(d) the increase in amount owing by directors by RM0.11 million due to net advances made from our Group which consist of RM0.42 million advance made from our Group and RM0.31 million repayment made to our Group; and

(e) the increase in our contract liabilities by approximately RM0.60 million due to advance payment received from CV Surya Mandiri of RM0.39 million, Chia Tai Co. Ltd of RM0.12 million, and DTGO Corporation Limited ("**DTGO**") of RM0.09 million.

(ii) Net cash for investing activities

We recorded a net cash of RM0.39 million for our investing activities in FYE 2018, mainly due to:

(a) payment to acquire 99.90% equity interest of Rams Thailand of RM0.13 million; and

(b) purchase of computer equipment and office equipment for RM0.08 million and payment of RM0.16 million for renovation of our office at Central Business District Perdana 2.

(iii) Net cash for financing activities

In FYE 2018, the cash for financing activities of RM0.65 million was mainly due to:

(a) repayment of borrowings of RM0.39 million;

(b) repayment of hire purchase of RM0.13 million; and

(c) interest paid for our borrowings and hire purchase of RM0.13 million.

FYE 2019

(i) Net cash from operating activities

For FYE 2019, our operating profit before working capital changes is approximately RM4.38 million. After adjusting for the following key items, our operating cash flow is approximately RM7.14 million:

(a) the increase in our contract assets by approximately RM0.89 million due to revenue recognised for a project in last quarter of FYE 2018 but was only billed in the 1st quarter of FYE 2019;

(b) the increase in our trade and other receivables by approximately RM0.67 million due to higher revenue generated in the last quarter of FYE 2019;

(c) the decrease in our contract liabilities by approximately RM0.48 million due to completion of milestone in the project; and

(d) the increase in our trade and other payables of approximately RM4.70 million mainly due to the share application monies received by our Company in respect of the RCPS from the Pre-IPO Investors amounting to RM4.27 million. As at 31 December 2019, the RCPS is still pending allotment and is treated as other payables under current liabilities.

(ii) Net cash for investing activities

We recorded a net cash of RM1.77 million for our investing activities in FYE 2019, mainly due to:

(a) partial payment to acquire the entire equity interest of Rams Singapore and Rams Vietnam for the amount of RM1.09 million; and

(b) purchase of computer equipment and office equipment for RM0.12 million and payment of RM0.56 million for renovation of our new office at Tamarind Square.

(iii) Net cash for financing activities

In FYE 2019, the cash for financing activities of RM2.02 million was mainly due to:

(a) dividend paid to the shareholders of RM2.87 million. Total dividend declared for FYE 2019 amounted to RM4.65 million. The balance dividend of RM1.78 million was paid via setting off against amount due from directors and therefore no cash outflow for the said balance;

(b) repayment of borrowings of RM0.25 million;

(c) repayment of hire purchase leases of RM0.16 million;

(d) interest paid for our borrowings and hire purchase leases of RM0.10 million; and

(e) proceeds received of RM0.53 million for the issuance of share capital to non-controlling interest pursuant to issuance of shares to Ivana S., shareholder of Rams Indonesia and Feets Indonesia.

We received a net advance from a director for the amount of RM0.83 million in FYE 2019 which consist of advances from a director amounting to RM2.09 million, repayment of approximately RM1.22 million for the advances which we received from the director and an advance to the director of approximately RM0.04 million. In relation to the advances from a director amounting to RM2.09 million, RM1.02 million was used for financing investment in subsidiaries while RM1.07 million was used for working capital purposes.

FYE 2020

(i) Net cash from operating activities

For FYE 2020, our operating profit before working capital changes is approximately RM9.91 million. After adjusting for the following key items, our operating cash flow is approximately RM1.71 million:

(a) the decrease in our contract assets by approximately RM0.89 million as all revenue recognised in FYE 2020 has been billed accordingly. Hence, no contract assets recorded as at 31 December 2020;

(b) the increase in our trade and other receivables by approximately RM10.25 million due to increase in revenue in FYE 2020 mainly due to balance owing from Megatech of RM6.70 million, CV Surya Mandiri of RM0.99 million, Bank Of Ayudhya Public Co., Ltd of RM1.74 million and PT Sigma Solusi Integrasi of RM1.09 million;

(c) the increase in our trade and other payables of approximately RM1.74 million mainly comprised of balance owing to Company B and Company E amounted to RM0.49 million for purchase of software licence and subcontractor cost, and professional fees payable for our IPO of RM1.33 million; and

(d) the increase in our inventories of RM0.24 million mainly comprised of software licences that were purchased for a HCM solutions project which was not used as the project with DTGO was terminated in September 2020 due to a change in DTGO's business decision to put their HCM solution project on hold.

(ii) Net cash for investing activities

We recorded a net cash of RM0.90 million for our investing activities in FYE 2020, mainly due to:

(a) purchase of computer equipment amounted to RM0.06 million for our office in Malaysia and Indonesia, and renovation and office equipment amounted to RM0.23 million for our headquarters in Malaysia; and

(b) increase in intangible assets by RM0.73 million for development cost paid for Lark and Feet's.

During FYE 2020, we received proceeds of RM0.12 million from disposal of a passenger car.

(iii) Net cash for financing activities

We recorded a net cash of RM1.79 million for our financing activities in FYE 2020, mainly due to:

(a) repayment of amount due to directors amounted to RM2.12 million;

(b) payment of RM0.95 million for professional fees in relations to our IPO exercise;

(c) repayment of borrowings of RM0.34 million;

(d) repayment of lease liabilities of RM0.21 million; and

(e) interest paid for our borrowings and hire purchase leases of RM0.14 million.

During FYE 2020, there was a drawdown of term loans of RM1.97 million for working capital purposes.

(The rest of this page is intentionally left blank)

12.3.4 Borrowings

We utilise credit facilities such as bank overdraft to partially finance our working capital and term and flexi loans to finance the acquisition of our office at Central Business District Perdana 2 and a SOHO at Cybersquare respectively. In addition, we also utilise hire purchase facilities to finance our purchases of motor vehicles for our Group.

Our total outstanding borrowings (including hire purchase and lease liabilities) as at 31 December 2020 stood at RM3.82 million, details of which are set out below. All our bank borrowings are interest-bearing and denominated in RM, SGD and THB.

	Purpose	Tenure	Interest rate	Audited as at 31 December 2020
			% per annum	RM'000
Interest bearing short-term borrowings, payable within 1 year:				
Bank overdraft (1)	Working capital	-	3.50	(2) 608
Term loan (1)	To part finance the purchase of a unit of office lot at Cyber Square	20 years	3.57	7
	Working capital	5 to 7 years	5.00 – 8.90	360
Flexi loan (1)	To part finance the purchase of one storey office lot at CBD Perdana 2	20 years	7.20	595
Hire purchase leases	Financing for the purchase of motor vehicles	5 years	4.71 – 9.00	(3) 105
Lease liability	Office rental	2 to 3 years	3.57 – 6.75	236
			Sub-total	**1,911**
Interest bearing long-term borrowings, payable after 1 year:				
Term loan	To part finance the purchase of a unit of office lot at Cyber Square	20 years	3.57	140
	Working capital	5 to 7 years	5.00 – 8.90	1,618
Hire purchase leases	Financing for the purchase of motor vehicles	5 years	4.71 – 9.00	(3) 119
Lease liability	Office rental	2 to 3 years	3.57 – 6.75	32
			Sub-total	**1,909**
			Total borrowings	**3,820**

Notes:

(1) Tan Chee Seng and Lee Miew Lan have provided personal guarantees for these financing facilities. Save for Tan Chee Seng and Lee Miew Lan, none of our Directors have provided any guarantees for any financing facilities of our Group. We had sought consent from our financiers for the change in the shareholdings of Rams Malaysia in conjunction with the Acquisition and our Listing. Our financiers had granted their consent with the condition that the personal guarantees provided by Tan Chee Seng and Lee Miew Lan are to be replaced with corporate guarantee(s) by Ramssol. We have executed the necessary documents with respect to the provision of corporate guarantee(s) and have provided the same to our financiers. As at the LPD, our financiers are in the process of replacing the personal guarantees with corporate guarantee(s), which is subject to the success of our Listing.

(2) *RM0.15 million of the total bank overdraft is denominated in SGD.*

(3) *RM0.11 million of the total hire purchase is denominated in THB.*

Our borrowings (excluding lease liabilities recognised under MFRS 16) carry the following effective interest rates for the Financial Years Under Review:

	Audited			
	FYE 2017	**FYE 2018**	**FYE 2019**	**FYE 2020**
	% per annum	**% per annum**	**% per annum**	**% per annum**
Bank overdrafts	4.65	4.90 – 10.88	4.75 – 10.88	3.50
Term loans	4.70 – 10.88	4.70 – 10.88	4.82 – 10.15	3.57 – 8.90
Flexi loans	8.35	8.60	8.45	7.20
Hire purchase	4.62 – 4.71	4.62 – 9.00	4.62 – 9.00	4.71 – 9.00

The following table sets out the maturities of our borrowings and hire purchase and lease liabilities:

	Audited			
	FYE 2017	**FYE 2018**	**FYE 2019**	**FYE 2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bank borrowings				
Within the next 12 months	2,034	1,864	1,347	1,570
After the next 12 months	376	275	162	1,758
Hire purchase/Lease liabilities				
Within the next 12 months	102	146	384	341
After the next 12 months	281	314	420	151
Total	**2,793**	**2,599**	**2,313**	**3,820**

As at the LPD, we do not have any borrowings which are non-interest bearing. We have not defaulted on payments of principal sums and / or interests in respect of any borrowings throughout the Financial Years Under Review as well as the subsequent financial period up to LPD.

As at the LPD, neither our Company nor our subsidiaries are in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities.

From FYE 2017 to FYE 2020, we have not experienced any claw back or reduction in the facilities limit granted to us by our lenders.

12.3.5 Types of financial instruments used, treasury policies and objectives

As at the LPD, save for our bank borrowings as disclosed in Section 12.3.4 of this Prospectus, we do not utilise any other financial instruments. We maintain foreign currency accounts to receive proceeds of our sales in SGD, VND, IDR, THB and USD.

Our treasury objectives are to maintain sufficient working capital to finance our operations and meet our anticipated commitments arising from operational expenditure and financial liabilities, if any, by maintaining adequate liquidity and credit facilities. We manage our liquidity to ensure access to sufficient funding at acceptable costs to meet our business needs and financial obligations throughout our business cycles.

Our liquidity and funding objectives are designed to meet our funding requirements, which include primarily payment of wages and salaries, interest and principal payments on outstanding borrowings, and general obligations such as administrative expenses and term deposits pledged for banking facilities. We have historically relied on cash generated from our operating activities, credit extended by our suppliers, credit lines such as flexi loans and term loans. Our funding objective is to obtain the most suitable types of financing and favourable cost of funding as our financing needs arise. Borrowings are negotiated with a view to secure the best possible terms and rates of interest.

Our cash and cash equivalents are held mostly in RM, SGD, THB and IDR. Our revenue is typically denominated in the local currencies of the respective countries where our subsidiaries are based. We do not use any hedging instruments in our daily operations. The cash in the local bank of the respective subsidiaries will be used for the operation of the respective subsidiaries to lessen foreign currency risk. Our Board reviews the foreign currency risks and strategies as needed to mitigate adverse impacts that may result from fluctuation in foreign currency exchange rates.

We are exposed to foreign currency risk as a result of transactions entered into in currencies other than RM. Our exposure primarily consists of trade receivables and trade payables.

(The rest of this page is intentionally left blank)

12.3.6 Material capital commitments, material litigation and contingent liability

12.3.6.1 Material capital commitments

As at the LPD, we do not have any material capital commitment.

12.3.6.2 Material litigation and contingent liability

We are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there are no proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business as at the LPD.

There are no contingent liabilities incurred by us or our subsidiary, which upon becoming enforceable, may have a material effect on our financial position or our subsidiary as at the LPD.

12.3.7 Key financial ratios

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Trade receivables turnover period (days) (1)	72	38	33	93
Trade payable turnover period (days) (2)	91	17	19	35
Inventory turnover period (days) (3)	(6)-	(6)-	(6)-	16
Current ratio (times) (4)	1.59	0.88	0.74	2.61
Gearing ratio (times) (5)	0.93	2.37	*	0.56

Notes:

* *Not applicable as the total equity amount is a negative amount.*

(1) Computed based on the average closing balance of trade receivables divided by the revenue for the respective financial year multiplied by the number of days in the respective financial year being 365 days for the Financial Years Under Review.

(2) Computed based on the average closing balance of trade payables divided by cost of sales (excluding staff costs) for the respective financial year multiplied by the number of days in the respective financial year being 365 days for the Financial Years Under Review.

(3) Computed based on the average closing balance of inventory divided by cost of software licences for the respective financial year multiplied by the number of days in the respective financial year being 365 days for the Financial Years Under Review.

(4) Computed based on total current assets over total current liabilities as at the respective financial year end.

(5) Computed based on bank borrowings over total equity as at the respective financial year end / period.

(6) Our inventory comprised of software licence and we usually do not hold any inventory save for FYE 2020 which is in relation to software licences that were purchased for DTGO's HCM solutions project which was not used as the project with DTGO was terminated in September 2020 due to a change in DTGO's business decision to put their HCM solution project on hold.

12.3.7.1 Trade receivables turnover period

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Opening trade receivables	1,474	1,196	1,428	1,337
Closing trade receivables	1,196	1,428	1,337	11,579
Average trade receivables	1,335	1,312	1,382	6,458
Revenue	6,808	12,523	15,439	25,331
Average trade receivables turnover period (days)	72	38	33	93

The ageing analysis of our trade receivables as at 31 December 2020 is as follows:

	Within credit period	Exceeding credit period			
	Neither past due nor impaired	1 to 90 days past due but not impaired	91 to 180 days past due but not impaired	More than 181 days past due but not impaired	Total
Estimated total gross carrying amount (RM'000)	10,005	1,029	600	171	11,805
Allowance for impairment losses (RM'000)	(128)	(55)	(30)	(13)	(226)
Trade receivables (RM'000)	9,877	974	570	158	11,579
% of total trade receivables (%)	85.30	8.41	4.92	1.37	100.00
Subsequent collections up to the LPD (RM'000)	(6,542)	(1,029)	(600)	(158)	(8,329)
Gross trade receivables net of subsequent collections (RM'000)	3,463	-	-	13	3,476
% of gross trade receivables net of subsequent collections to total gross trade receivables net of subsequent collections (%)	99.63	-	-	0.37	100.00

As at the LPD, RM3.48 million of the outstanding gross trade receivables as at 31 December 2020 has yet to be collected.

Our average trade receivables turnover period for the Financial Years Under Review were 72 days, 38 days, 33 days and 93 days.

For FYE 2017, trade receivables turnover period was higher than FYE 2018 and FYE 2019 due to lower revenue recognised for FYE 2017 in comparison to FYE 2018 and FYE 2019. In addition, 64.72% of the trade receivables as at FYE 2017 was recognised in the final quarter of FYE 2017. This is mainly due to certain projects with milestones that are completed and billed in December 2017, such as the provision of IT staff augmentation for Epicenter Amsterdam, the provision of HCM solutions and IT staff augmentation for a local institution, and the sale of software licence to SP Setia Project Management Sdn Bhd, a wholly owned subsidiary of SP Setia Berhad. This leads to a higher outstanding trade receivables balance as at 31 December 2017, and hence higher trade receivables turnover period for FYE 2017. The billings in the final quarter have credit terms ranging from 30 to 60 days. The billings are not past due and customers makes payment accordingly within credit terms given.

Trade receivables turnover period decreased from approximately 72 days in FYE 2017 to approximately 38 days in FYE 2018 mainly because of higher revenue in FYE 2018 compared with FYE 2017 which increased by 83.93%. Further, there was improvement in collecting cash from its customers in FYE 2018 compared to FYE 2017 as we have put in place procedures such as regular monitoring, follow-up calls and issuance of Statement of Account to our customers on a monthly basis.

Trade receivables turnover period decreased from approximately 38 days in FYE 2018 to approximately 33 days in FYE 2019 as we have continued on with our procedure in place such as monitoring, regular follow-up calls and issuance of Statement of Account to our customers on monthly basis. The total outstanding trade receivables of approximately 49.72% and 55.28% as at FYE 2018 and FYE 2019 respectively are within our credit terms.

Trade receivables turnover period increased from approximately 33 days in FYE 2019 to approximately 93 days in FYE 2020 mainly due to our project with Megatech that allows a credit term of 120 days. This credit term is higher than our normal trade credit terms which range from 30 to 60 days. After negotiation with Megatech, we have given Megatech a longer credit term of 120 days on the basis that this is a project arising from the Penjana Kerjaya Program under the initiative of Government's Ministry of Human Resource. Our trade receivables (gross amount) as at 31 December 2020 amounted to RM11.80 million, out of which RM6.70 million or 56.73% comprised of amount owing by Megatech. The said amount was invoiced between August 2020 to December 2020 and RM6.30 million or 94.03% of the amount is within the credit period given to them.

Our normal trade terms are cash term and credit terms which range from 30 to 60 days. Currently, our cash terms are only attributable to our customers based in Malaysia who subscribed to Feet's, our in-house employee engagement mobile application. For FYE 2019 and FYE 2020, we billed our Malaysian-based customers who subscribed to Feet's on cash terms amounting to approximately RM0.02 million or 0.11% and RM0.07 million or 0.26% of our total revenue in FYE 2019 and FYE 2020 respectively. Our credit terms to customers are assessed and approved on a case-to-case basis taking into consideration various factors such as relationship with customers, customers' payment history, credit worthiness, transaction volume, financial background, market reputation as well as the reason for the customers' inability to pay within the normal credit period. We use ageing analysis to monitor the credit quality of our trade receivables.

We recorded an allowance for impairment losses of RM0.01 million for each of the Financial Years Under Review arising from the amount outstanding from 2 Vietnamese clients which we believe have going concern issues. In addition, in FYE 2020, we recorded additional allowance for impairment losses of RM0.21 million which was determined based on the expected credit losses in accordance with MFRS 9. Our Group will assess the collectability of trade receivables on an individual customer basis and impairment will be made for those customers where recoverability is uncertain based on our past dealings with customers.

12.3.7.2 Trade payables turnover period

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Opening trade payables	199	164	192	101
Closing trade payables	164	192	101	593
Average trade payables	181	178	146	347
Cost of sales (excluding staff costs)	725	3,849	2,809	3,629
Average trade payable turnover period (days)	91	17	19	35

The ageing analysis of our trade payables as at 31 December 2020 is as follows:

		Exceeding credit period				
	Within credit term	1 to 30 days past due	31 to 60 days past due	61 - 90 days past due	More than 90 days past due	Total
Trade payables (RM'000)	361	-	-	227	5	593
% of total trade payables (%)	60.88	-	-	38.28	0.84	100.00
Subsequent payments up to the LPD (RM'000)	(361)	-	-	(227)	(5)	(593)
Trade payables net of subsequent payments (RM'000)	-	-	-	-	-	-
% of trade payables net of subsequent payments to total trade payables net of subsequent payments (%)	-	-	-	-	-	-

The normal trade terms granted to our Group by our suppliers are cash term and credit terms ranging from 30 to 60 days.

Our average trade payables turnover period for the Financial Years Under Review were 91 days, 17 days, 19 days and 35 days respectively.

For FYE 2018 we recorded trade payables turnover period of approximately 17 days, which was shorter than the normal credit period granted by our suppliers as our Group promptly settles debt with our suppliers to maintain a good business relationship with our suppliers. The trade payables turnover period for FYE 2018 was 74 days lesser compared with FYE 2017. The trade payables turnover period for FYE 2017 was higher because of an outstanding amount due to Company A of approximately RM0.16 million since November 2016. This amount was subsequently settled in February 2017 because the Group was not able to process the payment in FYE 2016 as the authorised signatories were not in the country. Further, there were also purchases of software licences amounting to RM0.16 million made by Rams Malaysia from Company A in November 2017 pursuant to a project with SP Setia Berhad for the renewal of software licences, of which this payable amount to Company A was subsequently settled in January 2018 after collection of receivables from SP Setia Berhad in the same month.

For FYE 2019 we recorded trade payables turnover period of approximately 19 days, which was shorter than the normal credit period granted by our suppliers as our Group continues to promptly settle debt with our suppliers and maintain good business relationship. The trade payables turnover period for FYE 2019 was only 2 days more compared with FYE 2018.

Our average trade payables turnover period increased from 19 days in FYE 2019 to 35 days in FYE 2020. The total outstanding trade payables of approximately 60.88% as at FYE 2020 is within the normal trade credit terms granted to our Group by our suppliers ranging from 30 to 60 days. The increase in trade payables turnover period is mainly due to the increase in Company B and Company E billings for Rams Thailand and Rams Indonesia amounting to RM0.49 million. Rams Thailand purchased software licence from Company B for DTGO's HCM solutions project in December 2020 due to purchase commitment despite the termination of the project in September 2020. Rams Indonesia's increase in billing is due to the purchase of software licence for PT Nojorono Tobacco International in July 2020, and subcontracting works provided by Company E for PT Sigma Solusi Integrasi of which we have fully paid in February 2021.

As at the LPD, the outstanding trade payables as at 31 December 2020 that has not been paid is nil.

As at the LPD, there is no dispute in respect of trade payables and no legal action initiated by our suppliers to demand for payment.

12.3.7.3 Inventories turnover period

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Opening inventories	-	-	-	-
Closing inventories	-	-	-	240
Average inventories	-	-	-	120
Cost of sales (software licence)	725	3,803	2,332	2,663
Average inventory turnover period (days)	* -	* -	* -	16

* *Not applicable due to no closing inventories recorded as at financial year end.*

We recorded an inventory turnover period of 16 days in FYE 2020 as we have recorded a closing inventory of RM0.24 million. The inventories as at 31 December 2020 are in relation to software licences that were purchased for DTGO's HCM solutions project which was not used as the project with DTGO was terminated in September 2020 due to a change in DTGO's business decision to put their HCM solution project on hold.

Our Group plans to sell the software licences to our existing or potential new customers. Since the software licences offer cloud services, it can be offered to customers based in any countries which have access to the data center via cloud services. In the event that our Group is unable to sell the software licences to our existing or potential new customers, the software licences will be used internally for training and demonstrational purposes.

12.3.7.4 Current ratio

Our current ratio, current assets and current liabilities for the Financial Years Under Review are as follows:

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Current assets	4,592	3,011	7,032	16,343
Current liabilities	2,885	3,419	9,520	6,260
Net current assets / (liabilities)	**1,707**	**(408)**	**(2,488)**	**10,083**
Current ratio (times)	1.59	0.88	0.74	2.61

Our current ratio ranged from 0.74 times to 2.61 times for the Financial Years Under Review.

The current ratio decreased from approximately 1.59 times as at 31 December 2017 to approximately 0.88 times as at 31 December 2018 due to the following:

(i) decrease in amount owing by related parties by RM1.51 million mainly due to the acquisition of Feets Malaysia whereby the amount owing by Feets Malaysia was eliminated in the combined results of our Group. The amount owing by Feets Malaysia was for payments made on behalf by our Group for research and development expenses incurred for the mobile application development of Feet's;

(ii) decrease in amount owing by a director by RM0.31 million due to payment by the director; and

(iii) increase in contract liabilities by RM0.61 million. Contract liabilities relates to advance consideration received from customers of which the revenue will be recognised over the remaining contract term.

Based on the above reasons, in FYE 2018, the Group recorded a net current liabilities position due to decrease in current assets stemming mainly from decrease in amounts owing by related parties and amounts owing by director. However, current liabilities increased following the increase in contract liabilities.

The current ratio decreased from approximately 0.88 times as at 31 December 2018 to approximately 0.74 times as at 31 December 2019 due to the following:

(i) increase of other payables and accruals by RM4.70 million mainly due to the share application monies received by the Company in respect of the RCPS from Pre-IPO Investors which is pending allotment; and

(ii) increase in amount owing to directors by RM2.09 million due to advance from directors to our Group. The advance from the director was used to finance investment in subsidiaries of approximately RM1.02 million and another RM1.07 million used for the Group's working capital.

Despite the decrease in current ratio in the FYE 2019, our Group recorded an increase in current asset due to the following:

(i) increase in cash and bank balances by RM3.01 million mainly due to share application monies received by the Company in respect of the RCPS from Pre-IPO Investors of RM4.27 million despite the decrease in cash and bank balances by RM2.87 million due to cash dividend paid; and

(ii) contract assets of RM0.91 million from 4 customers which we have rendered services but not billed as at 31 December 2019, and was subsequently billed in January 2020.

In FYE 2019, despite the large increase in current assets stemming from increase in cash and bank balances, other receivables, deposits and prepayments and contract assets, the Group recorded a net current liabilities position due to a correspondingly higher increase in other payables and accruals along with increase in amount owing to director. In the event that no dividend was declared and paid in FYE 2019, our cash and bank balances will increase by RM2.87 million and we will have a current asset of RM9.90 million and current ratio of approximately 1.04 times as at 31 December 2019.

The current ratio increased from approximately 0.74 times as at 31 December 2019 to approximately 2.61 times as at 31 December 2020 due to the following:

(i) increase in current assets as a result of increase in trade receivables by RM10.24 million mainly due amount owing by the following customers:

(a) RM6.70 million by Megatech;

(b) RM0.99 million by CV Surya Mandiri;

(c) RM1.74 million by Bank Of Ayudhya Public Co., Ltd; and

(d) RM0.34 million by Pacific International Lines (Pte) Ltd.

(ii) decrease in current liabilities as a result of decrease in other payables and accruals by RM1.91 million mainly due to allotment of RCPS on 30 June 2020 amounted to RM4.27 million. This was offset against an increase of other payables by RM0.95 million consisting of professional fees payable for our IPO of RM1.33 million and VAT and SST payable to tax authority of RM0.65 million. Accruals also increased by RM0.91 million which mainly consist of accrued salary in December 2020 which was subsequently paid in January 2021; and

(iii) decrease in amount owing to directors by RM2.12 million due to repayment for advances given by directors.

Our cash and bank balances decreased by RM0.85 million mainly due to repayment to directors for advances given.

12.3.7.5 Gearing ratio

Our gearing ratio throughout the Financial Years Under Review is as follows:

	Audited			
	FYE 2017	**FYE 2018**	**FYE 2019**	**FYE 2020**
Total borrowings (including hire purchase lease and lease liability) (RM'000)	2,793	2,599	2,313	3,820
Total equity (RM'000)	2,988	1,095	(195)	6,767
Gearing ratio (times)	0.93	2.37	*	0.56

Note:

* *Not applicable as the total equity amount is a negative amount.*

Our Group's gearing ratio ranged from 0.93 times to 2.37 times for the Financial Years Under Review.

As at the LPD, we have total outstanding bank borrowings of approximately RM2.87 million which are drawn for the purchase of our office at Central Business District Perdana 2 and a SOHO at Cybersquare, purchase of motor vehicles for our Group and for working capital. Please refer to Section 12.3.4 of this Prospectus for further details on our borrowings.

The gearing ratio increased from approximately 0.93 times as at 31 December 2017 to approximately 2.37 times as at 31 December 2018 due to the following:

(i) decrease of share capital by RM0.24 million due to elimination of share capital of Rams Thailand arising from the effect of acquisition of the common control subsidiary, Rams Thailand when it was acquired by our Group in October 2018;

(ii) decrease of reserves by RM0.32 million mainly due to distribution of dividends to shareholders amounting to RM0.61 million. The decrease of reserves was offset with an increase in a merger reserve for the amount of RM0.11 million when Rams Thailand was acquired. The merger reserve amount was derived through the difference between the purchase consideration of the investment in Rams Thailand and the total share capital acquired. The PAT for FYE 2018 of RM0.18 million has also contributed to the increase of reserves; and

(iii) non-controlling interest of Feets Malaysia which has a negative amount of RM1.34 million as it is loss making.

Gearing ratio is not applicable in FYE 2019 due to total equity being a negative position for the following reasons:

(i) decrease of share capital by RM0.71 million due to the elimination of share capital of Rams Singapore and Rams Vietnam arising from the effect of acquisition of the common control subsidiaries, Rams Singapore and Rams Vietnam when they were acquired by our Group in April 2019 and October 2019 respectively;

(ii) decrease of reserves by RM0.41 million is mainly due to a merger deficit of RM0.37 million when Rams Singapore were acquired by Rams Malaysia in April 2019 due to the difference between the purchase consideration of the investment in Rams Singapore and the total share capital acquired. A merger deficit of RM0.17 million also arose when Rams Vietnam was 100% acquired by Rams Malaysia from Rams Singapore in October 2019; and

(iii) non-controlling interest of Feets Malaysia which has a negative amount of RM1.51 million as it is loss making.

The gearing ratio is not applicable in FYE 2019 due to total equity being a negative position, and the Group recorded a gearing ratio of approximately 0.56 times in FYE 2020 for the following reasons:

(i) increase in total equity by RM6.96 million from negative equity position of RM0.20 million in FYE 2019 to a positive equity position of RM6.77 million in FYE 2020 due to higher PAT of RM7.00 million and improved retained earnings recorded in FYE 2020; and

(ii) increase in total borrowings by RM1.51 million due to new term loans obtained in FYE 2020 with a combined limit of RM1.97 million for working capital purposes.

12.3.8 Impact of inflation

Our Group is of the view that the current inflation rate does not have a material impact on our business, financial condition or results of our operation. However, any significant increase in future inflation may adversely affect our Group's operations and performance insofar as we are unable to pass on the higher costs to our customers through increase in selling prices.

12.3.9 Impact of foreign exchange rates and interest rates

12.3.9.1 Impact of foreign exchange rates

Our Group is involved in HCM solution and technology business in Malaysia, Singapore, Thailand, Vietnam and Indonesia. The revenue generated from each country is denominated in the respective local currencies.

On the other hand, our purchases, comprising HCM software licences from HCM software vendors and subcontracted implementation services from other IT companies, are mainly denominated in SGD, THB, RM and IDR.

The usage of different currencies for our revenue and purchases is in accordance to the country in which the transactions are performed. For example, revenue generated by Rams Thailand for HCM projects in Thailand and purchases of HCM software licences by Rams Thailand for projects in Thailand are denominated in THB. In view that both transactions are performed locally and in its respective local currency, our Group does not hedge our exposure to fluctuations in foreign currency exchange rates for such transactions.

Notwithstanding that, our Group does carry out transactions in USD, which is subject to fluctuations in foreign exchange rates. For example, Rams Malaysia generates revenue which is denominated in USD from Epicenter Amsterdam, and fees for subcontractors based in Singapore and India which are engaged by Rams Thailand are denominated in USD. However, the frequency of these USD-denominated transactions are minimal in the Financial Years Under Review. As such, our Group does not hedge our exposure to fluctuations in foreign currency exchange rates for USD-denominated transactions.

These foreign currency denominated transactions are then converted into RM for the purpose of consolidating our Group's financials as at the financial year end. The conversion of foreign currency into RM for the purpose of consolidating our financials does not require any hedging against fluctuation in foreign currency exchange rates.

Nevertheless, from the Group's perspective upon the consolidation of financials, we are subject to foreign exchange fluctuation risk for our revenue and purchases denominated in foreign currencies which we transact. A depreciation of the RM against the currencies which we transact will lead to higher revenue in RM after conversion, whereas it will also lead to higher cost of purchases in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower revenue and lower cost of purchases in RM after conversion.

There is potential impact of foreign exchange arising from the preparation of the consolidated financial statements of our Group as the financial statements of our foreign Subsidiaries are prepared in their respective local currencies. Thus, giving rise to foreign exchange translation reserve amount disclosed under 'other comprehensive income' as 'foreign currency translation differences'.

12.3.9.2 Impact of interest rates

Interest coverage ratio measures the number of times a company can make its interest payments with its profit before interest and tax. The interest coverage ratio for the Financial Years Under Review is as follows:

	Audited			
	FYE 2017	**FYE 2018**	**FYE 2019**	**FYE 2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Borrowings	2,793	2,599	2,313	3,820
Profit before interest and tax	302	405	3,965	7,858
Finance costs	190	179	137	443
Interest coverage ratio (times) [(1)]	1.59	2.26	28.94	17.74

Note:

(1) Computed based on profit before interest and tax over finance costs.

Our interest coverage ratio of between 1.59 to 28.94 times for the Financial Years Under Review indicates that our Group has been able to generate sufficient profits before interest and tax to meet our interest serving obligations.

Our Group's financial results for the Financial Years Under Review were not materially affected by fluctuations in interest rates. However, major increase in interest rates would raise the cost of borrowings and our finance costs for our working capital, which may have an adverse effect on the performance of our Group.

12.3.10 Order book

As at the LPD, our total secured orders of RM51.52 million includes orders secured in FYE 2021 of RM19.74 million whilst the remaining RM31.78 million was secured prior to 1 January 2021. Our outstanding secured orders (based on total value of orders secured less amount that has been recognised as revenue up to LPD) is approximately RM19.41 million, the details of which are as follows:

	Total secured orders as at LPD	Billed as at LPD	Unbilled amount as at LPD
	RM'000	RM'000	RM'000
Rams Malaysia	29,307	17,743	11,564
Rams Singapore	5,752	3,973	1,779
Rams Thailand	9,929	7,637	2,292
Rams Indonesia	6,396	2,635	3,761
Feets Malaysia	141	130	11
	51,525	(1) **32,118**	(2) **19,407**

Notes:

(1) The amount billed as at LPD includes a HCM solutions implementation project with DTGO. This project was subsequently terminated in September 2020 due to a change in DTGO's business decision to put their HCM solution project on hold.

(2) Type of projects for the unbilled amount as at LPD are as follows:

Type of projects	***Unbilled amount as at LPD***
	RM'000
Provision of HCM and student management solutions	
- Consultation and implementation	*4,444*
- Sale of third party software licences	*3,047*
- Technical support and maintenance	*1,757*
Provision of IT staff augmentation	*115*
Provision of HCM technology applications	*10,044*
	19,407

The unbilled amount as at LPD of approximately RM16.24 million is expected to be billed in FYE 2021 with the remaining balance of RM1.64 million is expected to be billed in FYE 2022 and RM0.76 million is expected to be billed each in FYE 2023 and FYE 2024 respectively.

As a result of the COVID-19 pandemic, the project delivery schedule for some of our ongoing secured projects were affected and delayed. Nevertheless, our Group managed to catch up with most of the timelines for the projects. As such, our billing schedules were not materially affected. Our Group's ability to secure orders during the COVID-19 pandemic may be affected as potential customers with projects of considerable value prefer physical interaction with our representatives.

12.3.11 Trend information

As at the LPD, our Board confirms that there are no:

(i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations, other than those discussed in this Section, Sections 6 and 8 of this Prospectus;

(ii) material commitment for capital expenditure, as set out in Section 12.3.6.1 of this Prospectus;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations on our Group, save as disclosed in this Section and in Section 8 of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group's total revenue and / or profits save for those that have been disclosed in this Section, business overview and IMR Report as set out in Sections 6 and 7 of this Prospectus, and business strategies and future plans as set out in Section 6.6 of this Prospectus;

(v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, other than those disclosed in this Section and in Section 8 of this Prospectus; and

(vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this Section and in Section 8 of this Prospectus.

Our Board is optimistic about the future prospects of our Group given our Group's competitive strengths, business strategies and future plans as set out in Sections 6.5 and 6.6 of this Prospectus.

12.4 RECENT DEVELOPMENTS

Save as disclosed below, there are no significant events subsequent to our Group's audited financial statements for FYE 2020.

(i) On 18 August 2020, our Company had entered into a conditional share swap agreement with the shareholders of Rams Malaysia, being Tan Chee Seng, Lee Miew Lan, Liew Yu Hoe and Wong Kum Loong, to acquire the entire issued share capital of Rams Malaysia comprising 500,001 ordinary shares for a purchase consideration of RM1,313,070 satisfied wholly by the issuance of 3,450,000 new shares at an issue price of RM0.3806 per share. The purchase consideration of RM1,313,256 for the acquisition of Rams Malaysia was arrived at on a "willing-buyer willing-seller" basis, after taking in consideration the combined audited NTA of Rams Malaysia amounting to RM1,313,256 as at 31 December 2019.

    Upon completion of the Acquisition on 17 May 2021, Rams Malaysia became a wholly-owned subsidiary of our Company and the issued shares of our Company increased from 10,000 Shares to 3,460,000 Shares.

(ii) On 21 May 2021, our Company has converted Class A RCPS into new ordinary shares at a conversion ratio of 100 Class A RCPS for 10 new ordinary shares and Class B RCPS into new ordinary shares at a conversion ratio of 100 Class B RCPS for 8 new ordinary shares. The issued shares of our Company has increased from 3,460,000 ordinary shares to 3,890,500 ordinary shares.

(iii) On 24 May 2021, our Company has completed its subdivision of issued shares for 1 existing ordinary share held by the registered shareholders into 43 new ordinary shares. The issued shares of our Company has increased from 3,890,500 ordinary shares to 167,291,500 ordinary shares.

12.5 DIVIDENDS

Our Company does not have any formal dividend policy. As we are a holding company, our Company's income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiary, present or future. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, and consent from our financiers as set out in the respective facility agreements, there are no legal, financial, or economic restrictions on the ability of our existing subsidiary to transfer funds in the form of cash dividends, loans or advances to us. Generally, consent from the financier is required if any payment or declaration of such dividend exceeds or will exceed the PAT or a specific PAT threshold as prescribed in the respective facility agreement. Moving forward, the payment of dividends or other distributions by our subsidiary will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of Directors deem relevant.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to shareholders' approval. Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

In respect of the Financial Years Under Review, dividends declared by our subsidiary were as follows:

	Audited			
	FYE 2017	**FYE 2018**	**FYE 2019**	**FYE 2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Dividends declared	-	(1) 610	(2) 4,650	-

Notes:

(1) Paid in FYE 2018 via setting against amount due from directors and therefore no cash outflow for the said balance.

(2) RM2.87 million was paid in cash and the remaining balance of RM1.78 million was paid via setting off against amount due from directors and therefore no cash outflow for the said balance.

Our Group does not have any intention to declare dividends for the FYE 2020.

12. FINANCIAL INFORMATION *(CONT'D)*

12.6 CAPITALISATION AND INDEBTEDNESS

The following table summarises our capitalisation and indebtedness as at 30 April 2021 after taking into account the following:

(i) the Acquisition but before Conversion of RCPS, Public Issue and utilisation of proceeds from our Public Issue; and

(ii) the Acquisition, Conversion of RCPS, Subdivision of Shares, Public Issue and utilisation of proceeds from our Public Issue.

	Ramssol	Proforma I	Proforma II(a)	Proforma II(b)	Proforma III	Proforma IV
	As at 30 April 2021	After Acquisition	After Proforma I, but before Conversion of RCPS	After Proforma I, but after Conversion of RCPS and Subdivision of Shares	After Proforma II(b) and Public Issue	After Proforma III and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Indebtedness:						
CURRENT						
Secured						
Bank overdraft	-	61	61	61	61	61
Lease liabilities	-	45	45	45	45	45
Term loans	-	404	404	404	404	404
Unsecured						
Lease liabilities	-	224	224	224	224	224
	-	**734**	**734**	**734**	**734**	**734**

12. FINANCIAL INFORMATION *(CONT'D)*

	Ramssol	Proforma I	Proforma II(a)	Proforma II(b)	Proforma III	Proforma IV
	As at 30 April 2021	After Acquisition	After Proforma I, but before Conversion of RCPS	After Proforma I, but after Conversion of RCPS and Subdivision of Shares	After Proforma II(b) and Public Issue	After Proforma III and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT						
Secured						
Lease liabilities	-	48	48	48	48	48
Term loans	-	2,176	2,176	2,176	2,176	2,176
Unsecured						
Lease liabilities	-	30	30	30	30	30
RCPS	4,887	4,887	4,887	-	-	-
	4,887	7,141	7,141	2,254	2,254	2,254
Total Indebtedness	**4,887**	**7,875**	**7,875**	**2,988**	**2,988**	**2,988**
Equity attributable to the owners of the Company	(2,663)	11,903	9,240	14,127	39,219	24,344
Total capitalisation and indebtedness	**2,224**	**19,778**	**17,115**	**17,115**	**42,207**	**27,332**
Gearing ratio (times) [(1)]	(1.84)	0.66	0.85	0.21	0.08	0.12

Note:

(1) Computed based on total indebtedness over the equity attributable to the owners of the Company.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia
Main +6 03 2788 9999
Fax +6 03 2788 9998
www.crowe.my

3 1 MAY 2021

The Board of Directors
Ramssol Group Berhad
B-04-05, Tamarind Square,
Persiaran Multimedia, Cyber 10,
63000 Cyberjaya, Selangor.

Dear Sirs

REPORTING ACCOUNTANT'S OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF RAMSSOL GROUP BERHAD ("THE COMPANY" OR "RAMSSOL")

OPINION

We have audited the combined financial statements of Ramssol Group Berhad, its combining entity, Rams Solutions Sdn. Bhd. and its subsidiaries ("collectively referred to as the Group") which comprise the combined statements of financial position as at 31 December 2017, 2018, 2019 and 2020, combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the financial years ended 31 December 2017, 2018, 2019 and 2020, and notes to the financial information, including a summary of significant accounting policies as set out on pages 4 to 107.

The historical financial information has been prepared for inclusion in the prospectus of Ramssol in connection with the listing of and quotation for the entire enlarged issued share capital of Ramssol on the ACE Market of Bursa Malaysia Securities Berhad ("the Prospectus"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia (the "Guidelines") and is given for the purpose of complying with the Guidelines and for no other purpose.

In our opinion, the financial information gives a true and fair view of the financial position of the Group as at 31 December 2017, 2018, 2019 and 2020 and of their financial performance and their cash flows for each of the financial years ended 31 December 2017, 2018, 2019 and 2020 in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Reporting Accountants' Responsibilities for the Audit of the financial information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Crowe

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The Directors of the Group are responsible for the preparation of the financial information of the Group that gives a true and fair view in accordance with MFRS and IFRS. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

REPORTING ACCOUNTANTS' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial information of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Crowe

REPORTING ACCOUNTANTS' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION (CONT'D)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):-

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial information of the Group, including the disclosures, and whether the financial information of the Group represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the combined financial statements of the entities or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RESTRICTION ON DISTRIBUTION AND USE

This report is made solely for inclusion in the prospectus to be issued in relation to the proposed offering of the shares of Ramssol in connection with Ramssol's listing on the ACE Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ho Yen Ling
03378/06/2022 J
Chartered Accountant

Kuala Lumpur

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	Financial Year Ended ("FYE") 31 December			
		2017	2018	2019	2020
		RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property and equipment	4	2,034	2,177	1,985	1,296
Investment property	5	-	-	-	768
Rights-of-use assets	6	-	-	944	623
Development costs	7	-	-	-	725
Goodwill	8	-	-	-	-
		2,034	2,177	2,929	3,412
CURRENT ASSETS					
Inventories	9	-	-	-	240
Trade receivables	10	1,196	1,428	1,337	11,579
Other receivables, deposits and prepayments	11	136	303	1,091	1,666
Amount owing by related parties	12	2,060	546	-	-
Amount owing by a director	13	545	55	-	-
Contract assets	14	146	-	913	-
Current tax assets		5	-	-	14
Cash and bank balances		504	679	3,691	2,844
		4,592	3,011	7,032	16,343
TOTAL ASSETS		6,626	5,188	9,961	19,755

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

		FYE 31 December			
	Note	**2017**	**2018**	**2019**	**2020**
		RM'000	**RM'000**	**RM'000**	**RM'000**
EQUITY					
Share capital	15	1,455	1,216	510	510
Reserves	16	1,533	1,218	804	8,312
Equity attributable to owners of the Company		2,988	2,434	1,314	8,822
Non-controlling interests	17	-	(1,339)	(1,509)	(2,055)
TOTAL EQUITY		2,988	1,095	(195)	6,767
NON-CURRENT LIABILITIES					
Redeemable convertible preference shares	18	-	-	-	4,737
Hire purchase payables	19	281	314	-	-
Lease liabilities	20	-	-	420	151
Term loans	21	376	275	162	1,758
Deferred tax liabilities	22	93	72	-	-
Provision for employee benefits obligations		3	13	54	82
TOTAL NON-CURRENT LIABILITIES		753	674	636	6,728

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

		FYE 31 December			
	Note	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
CURRENT LIABILITIES					
Trade payables	23	164	192	101	593
Other payables and accruals	24	560	580	5,329	3,424
Amount owing to directors	13	25	27	2,118	-
Hire purchase payables	19	102	146	-	-
Lease liabilities	20	-	-	384	341
Term loans	21	712	442	329	367
Short-term borrowings	25	1,322	1,422	1,018	1,203
Contract liabilities	14	-	608	145	136
Current tax liabilities		#	2	96	196
TOTAL CURRENT LIABILITIES		2,885	3,419	9,520	6,260
TOTAL LIABILITIES		3,638	4,093	10,156	12,988
TOTAL EQUITY AND LIABILITIES		6,626	5,188	9,961	19,755

- Amount less than RM1,000

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		FYE 31 December			
	Note	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Revenue	26	6,808	12,523	15,439	25,331
Cost of sales		(3,565)	(8,021)	(7,759)	(9,991)
Gross profit		3,243	4,502	7,680	15,340
Other income	27	135	6	128	507
		3,378	4,508	7,808	15,847
Administrative expenses	28	(2,650)	(2,349)	(3,394)	(5,740)
Other expenses	29	(53)	(1,409)	(6)	(1,555)
Depreciation		(358)	(345)	(443)	(463)
Net impairment losses on financial assets	30	(15)	-	-	(231)
		(3,076)	(4,103)	(3,843)	(7,989)
Profit from operations		302	405	3,965	7,858
Finance costs	31	(190)	(179)	(137)	(443)
Profit before taxation		112	226	3,828	7,415
Income tax expense	32	(24)	(49)	(28)	(415)
Profit after taxation		88	177	3,800	7,000
Other comprehensive income	33				
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		215	4	111	(37)
Total comprehensive income for the financial year		303	181	3,911	6,963

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

		FYE 31 December			
	Note	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Profit after taxation attributable to:-					
Owners of the Company		88	177	4,494	7,533
Non-controlling interests		-	-	(694)	(533)
		88	177	3,800	7,000
Total comprehensive income attributable to:-					
Owners of the Company		303	181	4,610	7,508
Non-controlling interests		-	-	(699)	(545)
		303	181	3,911	6,963
Earnings per share (RM)	34				
Basic		0.11	0.22	8.81	14.77
Diluted		0.11	0.22	8.81	14.77

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note		<-- Non-Distributable -->		Distributable			
		Share Capital RM'000	Merger Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Balance at 1 January 2017		1,305	-	(64)	1,294	2,535	-	2,535
Profit after taxation for the financial year		-	-	-	88	88	-	88
Other comprehensive income for the financial year:								
- Foreign currency translation differences		-	-	215	-	215	-	215
Total comprehensive income for the financial year		-	-	215	88	303	-	303
Contributions by and distribution to owners of the Company:								
- Issuance of shares	15	150	-	-	-	150	-	150
Balance at 31 December 2017/1 January 2018		1,455	-	151	1,382	2,988	-	2,988

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share Capital RM'000	<-- Non-Distributable --> Merger Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Balance at 31 December 2017/1 January 2018		1,455	-	151	1,382	2,988	-	2,988
Profit after taxation for the financial year		-	-	-	177	177	-	177
Other comprehensive income for the financial year:								
- Foreign currency translation differences		-	-	4	-	4	-	4
Total comprehensive income for the financial year		-	-	4	177	181	-	181
Contributions by and distribution to owners of the Company:								
- Acquisition of a subsidiary	36	-	-	-	-	-	(1,339)	(1,339)
- Effect of acquisition of a common control subsidiary	37	(239)	114	-	-	(125)	-	(125)
- Dividends	35	-	-	-	(610)	(610)	-	(610)
Total transactions with owners		(239)	114	-	(610)	(735)	(1,339)	(2,074)
Balance at 31 December 2018/1 January 2019		1,216	114	155	949	2,434	(1,339)	1,095

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share Capital RM'000	<-- Non-Distributable --> Merger Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Balance at 31 December 2018/1 January 2019		1,216	114	155	949	2,434	(1,339)	1,095
Profit after taxation for the financial year		-	-	-	4,494	4,494	(694)	3,800
Other comprehensive income for the financial year:								
- Foreign currency translation differences		-	-	116	-	116	(5)	111
Total comprehensive income for the financial year		-	-	116	4,494	4,610	(699)	3,911
Contributions by and distribution to owners of the Company:								
- Issuance of shares	15	10	-	-	-	10	529	539
- Effect of acquisition of common control subsidiaries	37	(716)	(374)	-	-	(1,090)	-	(1,090)
- Dividends	35	-	-	-	(4,650)	(4,650)	-	(4,650)
Total transactions with owners		(706)	(374)	-	(4,650)	(5,730)	529	(5,201)
Balance at 31 December 2019/1 January 2020		510	(260)	271	793	1,314	(1,509)	(195)

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	<-- Non-Distributable -->			Distributable			
	Share Capital RM'000	**Merger Reserve RM'000**	**Foreign Exchange Translation Reserve RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-controlling Interest RM'000**	**Total Equity RM'000**
Balance at 31 December 2019/1 January 2020	510	(260)	271	793	1,314	(1,509)	(195)
Profit after taxation for the financial year	-	-	-	7,533	7,533	(533)	7,000
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	(25)	-	(25)	(12)	(37)
Total comprehensive income for the financial year	-	-	(25)	7,533	7,508	(545)	6,963
Distribution to owners of the Company:							
- Dividend by subsidiary to non-controlling interest	-	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	-	-	-	(1)	(1)
Balance at 31 December 2020	510	(260)	246	8,326	8,822	(2,055)	6,767

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF CASH FLOWS

		FYE 31 December			
	Note	**2017 RM'000**	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		112	226	3,828	7,415
Adjustments for:					
Depreciation of property and equipment		358	345	260	200
Depreciation of investment property		-	-	-	17
Depreciation of right-of-use assets		-	-	183	246
Impairment losses:					
- goodwill		-	1,397	-	-
- trade receivables		15	-	-	213
- other receivables		-	-	-	18
Interest expense		190	179	101	411
Interest expense on lease liabilities		-	-	36	32
Listing expenses		-	-	-	1,475
COVID-19-related rent concessions		-	-	-	(107)
Loss/(Gain) on disposal of equipment		36	-	(1)	(48)
Unrealised loss/(gain) on foreign exchange		8	12	(25)	47
Interest income		(2)	-	(5)	(6)
Operating profit before working capital changes		717	2,159	4,377	9,913

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		FYE 31 December			
	Note	**2017 RM'000**	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES (CONT'D)					
Operating profit before working capital changes		717	2,159	4,377	9,913
Increase in inventories		-	-	-	(240)
(Increase)/Decrease in contract assets		(146)	146	(894)	893
(Increase)/Decrease in trade and other receivables		(626)	1,332	(674)	(10,250)
(Increase)/Decrease in amount owing by related parties		(65)	(3,026)	18	-
(Increase)/Decrease in amount owing by director		(357)	(109)	89	-
Increase/(Decrease) in contract liabilities		-	604	(476)	(7)
Increase in provision for employee benefit obligations		3	10	39	30
Increase/(Decrease) in trade and other payables		156	(19)	4,699	1,744
CASH (FOR)/FROM OPERATIONS		(318)	1,097	7,178	2,083
Income tax (paid)/refunded		(9)	49	(5)	(329)
Interest paid		(42)	(53)	(33)	(49)
Interest received		-	-	-	6
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(369)	1,093	7,140	1,711

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	FYE 31 December 2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of a subsidiary	36	-	9	-	-
Development costs paid		-	-	-	(726)
Effect of acquisition of common control subsidiaries	37	-	(125)	(1,090)	-
Purchase of equipment	38(a)	(94)	(269)	(682)	(297)
Proceeds from disposal of equipment		325	-	1	120
NET CASH FROM/(FOR) INVESTING ACTIVITIES		231	(385)	(1,771)	(903)
CASH FLOWS FOR FINANCING ACTIVITIES					
Advances from/(Repayment to) a director		-	-	834	(2,115)
Issuance of share capital to non-controlling interest		-	-	529	-
Dividends paid		-	-	(2,869)	-
Drawdown of term loans	38(b)	360	-	-	1,965
Interest paid	38(b)	(148)	(126)	(104)	(141)
Repayment of hire purchase/lease liabilities	38(b)	(375)	(132)	(164)	(211)
Repayment of term loans	38(b)	(482)	(368)	(226)	(332)
Repayment of flexi loans	38(b)	(24)	(25)	(25)	(7)
Proceeds from issuance of ordinary shares		150	-	10	-
Payment of listing expenses		-	-	-	(947)
NET CASH FOR FINANCING ACTIVITIES		(519)	(651)	(2,015)	(1,788)

RAMSSOL GROUP BERHAD

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		FYE 31 December			
	Note	**2017 RM'000**	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(657)	57	3,354	(980)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(21)	(7)	37	(59)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		512	(166)	(116)	3,275
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	38(d)	(166)	(116)	3,275	2,236

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in Malaysia on 10 January 2019 as a private limited company and is principally engaged in the business of investment holding. The Company was incorporated with a total paid-up share capital of RM10,000 comprising 10,000 ordinary shares.

On 22 September 2020, the Company converted from a private company to a public company limited by shares and assumed its present name of Ramssol Group Berhad ("Ramssol").

The Company was incorporated for the purpose of acquiring the combining entity, Rams Solutions Sdn. Bhd. and its subsidiaries pursuant to the proposed listing exercise as disclosed in Note 45 to the Accountant's Report.

The information of entities within the combined financial statements is as follows:

(a) RAMS Solutions Sdn. Bhd. ("RAMS") was incorporated on 10 August 2010 in Malaysia as a private limited company and is principally engaged in the business of software development and advisory.

(b) Risorsa Umana Solutions Pte Ltd ("RUSPL") was incorporated on 23 September 2010 in Singapore as a private limited company and is principally engaged in the provision of human resource consultancy services to corporate clients. On 1 April 2019, RUSPL became a wholly-owned subsidiary of RAMS.

(c) Risorsa Umana Solutions Vietnam Company Limited ("RUSVCL") was incorporated on 30 March 2013 in Vietnam as a private limited company and is principally engaged in the business of provision of management consulting services for enterprises. On 18 October 2019, RUSVCL was disposed of by RUSPL and subsequently became a wholly-owned subsidiary of RAMS.

(d) RAMS Solutions Co. Ltd ("RSCL") was incorporated on 13 February 2015 in Thailand as a private limited company and is principally engaged in the business of providing information technology consulting. On 24 October 2018, RSCL became a subsidiary of RAMS with an effective equity interest of 99.90% (1).

(1) Pursuant to the laws of Thailand, it is a requirement that the majority shareholdings of a company incorporated in Thailand shall be held by a Thai shareholder and that it has at least 3 shareholders. As such, this requirement has been complied with by RSCL as 51% of the equity interest in the form of preference shares in RSCL is currently held by Narathip Phopikul, a Thai national, as set out below:-

Shareholders	Number of shares	%	Rights to dividend	Dividend entitlement (%)
Ordinary Shares				
Rams Malaysia	9,600	48.00	THB1 per 1 share	97.90
Tan Chee Seng	200	1.00	THB1 per 1 share	2.00
Preference Shares				
Narathip Phopikul	10,200	51.00	THB1 per 1,000 preference shares	0.10
Total	**20,000**	**100.00**		**100.00**

Based on the rights to dividend of the shareholders based on Articles 6 of the Articles of Association of RSCL, Narathip Phopikul is entitled to receive THB 1 for every 1,000 preference shares held, whereas RAMS and Tan Chee Seng are entitled to receive THB 1 for every 1 ordinary share held. In addition, Tan Chee Seng has also assigned his rights to dividend in RSCL to RAMS. Accordingly, Narathip Phopikul is only entitled to 0.10% of the dividends to be declared by RSCL, whilst RAMS (including Tan Chee Seng's assigned dividends) is entitled to 99.90% of the dividends to be declared by RSCL.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

1. GENERAL INFORMATION (CONT'D)

(e) Feets Sdn. Bhd. ("FEETS") was incorporated on 15 June 2017 in Malaysia as a private limited company and is principally engaged in the provision of internet related services in relation to the business of mobile application, electronic commerce, information systems integration and administration; provision of computer programming activities; and provision of research and development on ICT. On 28 December 2018, FEETS became a 51% owned subsidiary of RAMS.

(f) PT RAMS Solutions Nusantara was incorporated on 10 January 2019 in Indonesia as a 99% owned subsidiary of RAMS, a private limited company and is principally engaged in the provision of management consulting services for enterprises.

(g) PT Feets Tech Indo was incorporated on 10 January 2019 in Indonesia as a 51% owned subsidiary of FEETS and is involved in the provision of internet related services in relation to the business of mobile application, electronic commerce, information systems integration and administration; provision of computer programming activities; and provision of research and development on ICT.

Notes :-

RAMS Solutions Sdn. Bhd.	*- RAMS*
Risorsa Umana Solutions Pte Ltd	*- RUSPL*
Risorsa Umana Solutions Vietnam Company Limited	*- RUSVCL*
RAMS Solutions Co. Ltd.	*- RSCL*
Feets Sdn. Bhd.	*- FEETS*
PT RAMS Solutions Nusantara	*- PT RAMS*
PT Feets Tech Indo	*- PT FEETS*

(The Company and the above entities are collectively defined as 'the Group')

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION

For the purposes of the combined financial statements, the entities of the Group consist of Companies under common control for the FYE 31 December 2017, 2018, 2019 and 2020 as set out in Note 1 to the combined financial statements and continue to be under common control after 31 December 2020. The audited financial statements are not subjected to any audit qualification, modification and disclaimer.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The combined financial statements of the Group for the relevant period were prepared in a manner similar to the "pooling-of-interest" method, as if the entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period.

The identifiable assets of all commonly controlled entities are accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies adopted by the Group.

All material intra-group transactions and balances have been eliminated on combination.

The combined financial statements of the Group are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under significant accounting policies, and in compliance with MFRS, IFRS and Prospectus Guidelines issued by the Securities Commission Malaysia.

(The rest of this page is intentionally left blank)

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.1 As at 31 December 2020, 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)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 16: COVID-19-Related Rent Concessions

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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 financial statements.

2.2 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 the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	**Effective Date**
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property and equipment as at the reporting date is disclosed in Note 4 to the combined financial statements.

(b) Amortisation of Development Costs

The estimates for the residual values, useful lives and related amortisation charges for the development costs are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its development costs will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised. The carrying amount of development costs measured at revaluation as at the reporting date is disclosed in Note 7 to the combined financial statements.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Equipment and Right-of-use Assets

The Group determines whether its equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of equipment and right-of-use assets as at the reporting date are disclosed in Note 4 and Note 6 to the combined financial statements respectively.

(d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Note 10 and Note 14 to the combined financial statements respectively.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables as at the reporting date are disclosed in Notes 11 to the combined financial statements.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets as at FYE 2020 is approximately RM14,220 (2019 and 2018 – Nil; 2017 – RM5,100) and the carrying amount of current tax liabilities as at FYE 2020 is approximately RM196,165 (2019 – RM96,000; 2018 – RM1,800; 2017 – #).

 # - Amount less than RM1,000

(g) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 8 to the combined financial statements.

(h) Revenue Recognition for Contracts with Customers

The Group recognises certain contract revenue by reference to the progress or milestones based on the work performed or services rendered by the Group. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date. The carrying amount of contract assets and contract liabilities as at the reporting date are disclosed in Note 14 to the combined financial statements.

(i) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 9 to the combined financial statements.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

3.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Group made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are combined from the date on which control is transferred to the group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the combined financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Merger Accounting for Common Control Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been affected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 BASIS OF CONSOLIDATION (CONT'D)

(c) Non-controlling Interests

Non-controlling interests are presented within equity in the combined statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

3.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The combined financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations, if any, are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the combined financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the combined statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Redeemable Convertible Preference Shares

The redeemable convertible preference shares are regarded as compound financial instruments, consisting of a liability component and an equity component.

The proceeds from the issuance of the redeemable convertible preference shares are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component is measured at amortised cost using the effective interest method. The equity component is not remeasured subsequent to the initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

When the preference shares are not redeemed from proceeds of an issuance of new shares, a sum equal to the amount redeemed shall be transferred from retained profits to share capital.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 FINANCIAL INSTRUMENTS (CONT'D)

Accounting Policies Applied Until 31 December 2017

The Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening combined statement of financial position on 1 January 2018 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information of the Group's financial assets continues to be accounted for in accordance with the previous accounting policies as summarised below:-

- Unquoted trade receivables and other receivables with fixed or determinable payments were classified as loans and receivables financial assets, measured at amortised cost using the effective interest method, less any impairment loss. Interest income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- Financial assets were designated at fair value through profit or loss when the financial asset was either held for trading or was designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Financial assets at fair value through profit or loss were stated at fair value at each reporting date with any gain or loss arising on remeasurement recognised in profit or loss.

3.6 PROPERTY AND EQUIPMENT

All items of property and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property and equipment, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 PROPERTY AND EQUIPMENT (CONT'D)

Depreciation on other property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Office equipment	20% - 50%
Furniture and fittings	20% - 50%
Computer equipment	20% - 50%
Renovation	10% - 20%
Motor vehicles	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

3.7 INVESTMENT PROPERTIES

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 INVESTMENT PROPERTIES (CONT'D)

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

3.8 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

(a) its ability to measure reliably the expenditure attributable to the asset under development;
(b) the product or process is technically and commercially feasible;
(c) its future economic benefits are probable;
(d) its intention to complete and the ability to use or sell the developed asset; and
(e) the availability of adequate technical, financial and other resources to complete the asset under development

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 LEASES (CONT'D)

<u>Accounting Policies Applied Until 31 December 2018</u>

(a) Finance Lease

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

(b) Operating Lease

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statements of financial position of the Group and of the Company.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

3.10 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

3.12 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

Accounting Policy Applied Until 31 December 2017

The Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening combined statement of financial position on 1 January 2018 (date of initial application of MFRS 9) and hence, comparative information of its financial instruments is not restated. As a result, the comparative information on the impairment of the Group's financial assets has been accounted for in accordance with its previous accounting policy as below:-

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro-rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

3.13 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss, in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

3.15 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 INCOME TAXES (CONT'D)

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

3.16 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.17 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the combined profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the combined profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive ordinary shares.

3.18 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Rendering of services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

For services provided and charged by on a daily basis, revenue is recognised at a point in time when the services are delivered to the customer and upon its acceptance.

(b) Sales of business software solutions

The contracts include multiple deliverables, such as provisions of software solutions, implementation of software solutions, technical support and its related installation services. However, the installation is simple, does not include an integration service and could be performed by other providers in the market. It is therefore accounted for as a separate performance obligation. The transaction price is allocated to each performance obligation based on the stand-alone selling prices.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Sales of business software solutions (Cont'd)

Revenue from the installation and maintenance services of the business software solutions are recognised over time in which the services are rendered. This is determined based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue based on the output method over the period of service. If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

The Group also assesses whether the sales of software license included in the contracts represent a single performance obligation that is distinct from the ongoing contractual obligations. If not distinct, the combined performance obligations is recognised over time. If the license is distinct, it is recognised separately from the other performance obligations at the time of the delivery of the licensed software.

(c) Sales of licenses

Revenue from sale of licenses are recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.21 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Rental Income

Rental income from investment properties is accounted for on a straight-line method over the lease term.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY AND EQUIPMENT

	Buildings RM'000	Computer Equipment RM'000	Furniture and Fittings RM'000	Motor Vehicles RM'000	Office Equipment RM'000	Renovation RM'000	Total RM'000
Net book value at 1 January 2017	1,062	518	32	538	39	187	2,376
Additions	-	16	2	349	7	-	374
Disposal	-	-	-	(361)	-	-	(361)
Depreciation charges	(24)	(231)	(9)	(61)	(11)	(22)	(358)
Translation differences	-	3	-	-	-	-	3
Net book value at 31 December 2017/ 1 January 2018	1,038	306	25	465	35	165	2,034
Acquisition of a subsidiary	-	11	-	-	-	-	11
Additions	-	37	-	241	40	156	474
Depreciation charges	(21)	(166)	(9)	(94)	(19)	(36)	(345)
Translation differences	-	(1)	-	4	-	-	3
Net book value at 31 December 2018/ 1 January 2019	1,017	187	16	616	56	285	2,177
Initial Application of MFRS16	-	-	-	(628)	-	-	(628)
As restated	1,017	187	16	(12)	56	285	1,549
Additions	-	83	-	-	38	561	682
Depreciation charges	(21)	(166)	(9)	-	(27)	(37)	(260)
Translation differences	-	1	-	12	1	-	14
Net book value at 31 December 2019/ 1 January 2020	996	105	7	-	68	809	1,985
Transferred to investment property (Note 5)	(785)	-	-	-	-	-	(785)
Additions	-	59	7	-	61	170	297
Depreciation charges	-	(53)	(10)	-	(38)	(99)	(200)
Translation differences	-	(1)	#	-	#	-	(1)
Net book value at 31 December 2020	211	110	4	-	91	880	1,296

- Amount less than RM1,000

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY AND EQUIPMENT (CONT'D)

	Buildings RM'000	Computer Equipment RM'000	Furniture and Fittings RM'000	Motor Vehicles RM'000	Office Equipment RM'000	Renovation RM'000	Total RM'000
At 31.12.2017							
At cost	1,062	1,125	44	612	60	214	3,117
Accumulated depreciation	(24)	(819)	(19)	(147)	(25)	(49)	(1,083)
Net book value	1,038	306	25	465	35	165	2,034
At 31.12.2018							
At cost	1,062	1,177	44	856	101	371	3,611
Accumulated depreciation	(45)	(990)	(28)	(240)	(45)	(86)	(1,434)
Net book value	1,017	187	16	616	56	285	2,177
At 31.12.2019							
At cost	1,062	774	44	-	142	931	2,953
Accumulated depreciation	(66)	(669)	(37)	-	(74)	(122)	(968)
Net book value	996	105	7	-	68	809	1,985
At 31.12.2020							
At cost	228	829	50	-	204	1,101	2,412
Accumulated depreciation	(17)	(719)	(46)	-	(113)	(221)	(1,116)
Net book value	211	110	4	-	91	880	1,296

(a) Included in the property and equipment of the Group were motor vehicles with a total carrying amount of approximately RM502,000 and RM418,000 as at the financial year ended 2018 and 2017 respectively, which were acquired under hire purchase terms.

(b) The buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the combined financial statements.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT PROPERTY

	FYE 31 December 2020 RM'000
Cost:-	
At 1 January	-
Transfer from property and equipment (Note 4)	834
At 31 December	834
Accumulated depreciation:-	
At 1 January	-
Transfer from property and equipment (Note 4)	(49)
Depreciation during the financial year	(17)
At 31 December	(66)
	768

The buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the combined financial statements.

6. RIGHT-OF-USE ASSETS

	Office Premises RM'000	Motor Vehicles RM'000	Total RM'000
As previously reported on 1 January 2019	-	-	-
Initial application of MFRS 16	-	628	628
As restated	-	628	628
Additions	496	-	496
Depreciation charges	(71)	(112)	(183)
Translation differences	-	3	3
Net book value at 31 December 2019/ 1 January 2020	425	519	944
Depreciation charges	(212)	(34)	(246)
Disposal	-	(72)	(72)
Translation differences	-	(3)	(3)
Net book value at 31 December 2020	213	410	623

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

	Office Premises RM'000	Motor Vehicles RM'000	Total RM'000
31.12.2019			
At cost	496	876	1,372
Accumulated depreciation	(71)	(357)	(428)
Net book value	425	519	944
31.12.2020			
At cost	496	607	1,103
Accumulated depreciation	(283)	(197)	(480)
Net book value	213	410	623

The comparative information for the FYE 31 December 2017 and 31 December 2018 are not presented as the Group has applied MFRS 16 using the modified retrospective approach.

(a) The Group leases its office premises and certain motor vehicles of which the leasing activities are summarised below:-

(i) Motor vehicles — The Group has leased its motor vehicles under hire purchase arrangements. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

(ii) Office premises — The Group has leased office premises of the Group that run between a period of 1 to 2 years with an option to renew the lease for a further of 1 year term at a new rental rate to be based on the prevailing market rate mutually agreed after that date.

(b) The Group also has leases with lease terms of 12 months or less and leases of equipment and premises with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

7. DEVELOPMENT COSTS

	FYE 31 December 2020 RM'000
Cost/Net book value:-	
At 1 January	-
Additions during the financial year	725
At 31 December	725

The development costs are incurred for the mobile application development of FEETS and Lark.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

8. GOODWILL

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cost:-				
At 1 January	-	-	1,397	1,397
Acquisition of a subsidiary (Note 36)	-	1,397	-	-
At 31 December	-	1,397	1,397	1,397
Accumulated impairment losses:-				
At 1 January	-	-	(1,397)	(1,397)
Impairment during the financial year	-	(1,397)	-	-
	-	(1,397)	(1,397)	(1,397)
At 31 December	-	-	-	-

In the financial year 2018, an impairment loss of approximately RM1,397,000 was recognised upon acquisition of a subsidiary, FEETS in 'other expenses' line item of the combined statements of profit or loss and other comprehensive income.

The Group has assessed the recoverable amounts of goodwill allocated, and determined that full impairment is required based on both external sources and internal historical data, whereby the subsidiary has been incurring losses and the directors did not foresee any cash flows from this subsidiary in the near future.

9. INVENTORIES

	FYE 31 December 2020 RM'000
Finished goods	240
Recognised in profit or loss:-	
Inventories recognised as cost of sales	508

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

10. TRADE RECEIVABLES

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Trade receivables	1,210	1,442	1,351	11,805
Allowance for impairment losses	(14)	(14)	(14)	(226)
Net trade receivables	1,196	1,428	1,337	11,579
Allowance for impairment losses:-				
At 1 January	-	14	14	14
Addition during the financial year	15	-	-	213
Translation reserve	(1)	-	-	(1)
At 31 December	14	14	14	226

The Group's normal trade credit terms range from 30 to 120 (2017, 2018 and 2019 – 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Other receivables				
- third parties	49	28	96	29
- allowance for impairment losses	-	-	-	(18)
	49	28	96	11
Deposits	28	27	338	403
Prepayments	39	112	549	1,225
Withholding tax receivables	20	133	#	-
Sales tax payables/Goods and services tax ("GST")	#	3	67	15
Others	-	-	41	12
	136	303	1,091	1,666
Allowance for impairment losses:-				
At 1 January	-	-	-	-
Addition during the financial year	-	-	-	18
At 31 December	-	-	-	18

 # - Amount less than RM1,000

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

As at the FYE 31 December 2019, the Group has deposits pledged as performance guarantee for a project in Thailand as requested by the customer amounting to approximately RM275,000.

Included in prepayments of the Group for the FYE 31 December 2019, are advance payments made to suppliers for licences for a project in Thailand amounting to approximately RM438,000.

Included in prepayments of the Group for the FYE 31 December 2020, are advance payments for the purchase of a motor vehicle amounting to RM224,000 and the motor vehicle is delivered to the Company in January 2021.

Included in the other receivables as at the FYE 31 December 2019 is an amount owing by a shareholder of the Group amounting to approximately RM13,000.

12. AMOUNT OWING BY RELATED PARTIES

		FYE 31 December			
		2017	**2018**	**2019**	**2020**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Amount owing by related parties					
Trade balance	(a)	-	18	-	-
Non-trade balances	(b)	2,060	528	-	-
		2,060	546	-	-

(a) The trade balances are subject to the normal trade credit terms of 30 to 60 days. The amounts owing are to be settled in cash.

(b) The non-trade balances represent unsecured, interest free and payments made on behalf. The amounts owing are receivable on demand and are to be settled in cash.

Included in the amount owing by related parties in the financial year ended 2017 is an amount owing by FEETS, for payments made on behalf by the Group for research and development expenses incurred for the mobile application development of FEETS.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

13. AMOUNT OWING BY/(TO) DIRECTORS

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Amount owing by a director				
Non-trade balances	545	55	-	-
Amount owing to directors				
Non-trade balances	(25)	(27)	(2,118)	-

The non-trade balances represent unsecured, interest free and payments made on behalf. The amounts owing are receivable/(repayable) on demand and are to be settled in cash.

14. CONTRACT ASSETS/(LIABILITIES)

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Contract assets	146	-	913	-
Contract liabilities	-	(608)	(145)	(136)

(a) The contract assets primarily relates to the Group's right to consideration for services rendered to the customers but not billed as at reporting date.

(b) The contract liabilities primarily relates to advance considerations received from certain customers of which the revenue will be recognised over the remaining contract term of the specific contract it relates to.

(c) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of contracts is RM136,260 (2019 – RM144,314; 2018 – RM607,751). These remaining performance obligations are expected to be recognised as below:-

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Within 1 year	-	(608)	(145)	(136)

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(d) The changes to contract asset/(liabilities) balances during the respective financial years are summarised as below:-

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
At 1 January	-	146	(608)	768
Revenue recognised in profit or loss during the financial year	-	-	608	-
Billings to customers during the financial year	-	(754)	(145)	(904)
Performance obligations satisfied but not billed during the financial year	146	-	913	-
At 31 December	146	(608)	768	(136)
Represented by:-				
Contract assets	146	-	913	-
Contract liabilities	-	(608)	(145)	(136)
	146	(608)	768	(136)

15. SHARE CAPITAL

	RAMSSOL GROUP	RAMS	RSCL	RUSPL	Total
	Numbers of Shares ('000)				
Issued and fully paid-up Number of ordinary shares:-					
At 1 January 2017	-	350	10	300	660
Issuance of ordinary shares	-	150	-	-	150
At 31 December 2017/1 January 2018	-	500	10	300	810
Effect of acquisition of a common control subsidiary	-	-	(10)	-	(10)
At 31 December 2018/1 January 2019	-	500	-	300	800
Issuance of ordinary shares	10	-	-	-	10
Effect of acquisition of common control subsidiaries	-	-	-	(300)	(300)
At 31 December 2019	10	500	-	-	510
At 1 January 2020/31 December 2020	10	500	-	-	510

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

15. SHARE CAPITAL (CONT'D)

	RAMSSOL GROUP RM'000	RAMS RM'000	RSCL RM'000	RUSPL RM'000	Total RM'000
Issued and fully paid-up :-					
At 1 January 2017	-	350	239	716	1,305
Issuance of ordinary shares	-	150	-	-	150
At 31 December 2017/1 January 2018	-	500	239	716	1,455
Effect of acquisition of a common control subsidiary	-	-	(239)	-	(239)
At 31 December 2018/1 January 2019	-	500	-	716	1,216
Issuance of ordinary shares	10	-	-	-	10
Effect of acquisition of common control subsidiaries	-	-	-	(716)	(716)
At 31 December 2019	10	500	-	-	510
At 1 January 2020/31 December 2020	10	500	-	-	510

(a) The holders of ordinary shares are entitled to receive dividend as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) On 31 January 2017, the concepts of the authorised share capital and par value of share capital were abolished in Malaysia in accordance with the Companies Act 2016. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

For the purpose of this report, the total number of shares represent the aggregate number of issued and fully paid-up shares of all combined entities within the Group.

16. RESERVES

		FYE 31 December			
		2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Merger reserve/(deficit)	(a)	-	114	(260)	(260)
Foreign exchange translation reserve	(b)	151	155	271	246
Retained profits		1,382	949	793	8,326
		1,533	1,218	804	8,312

(a) Merger Reserve/(Deficit)

The merger reserve/(deficit) arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

16. RESERVES (CONT'D)

(b) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

17. NON-CONTROLLING INTERESTS

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest				FYE 31 December			
	2017 %	2018 %	2019 %	2020 %	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
FEETS and its subsidiary, PT FEETS	-	49	49	49	-	1,339	1,516	2,062
RSCL	-	*	*	*	-	#	#	#
PT RAMS	-	-	1	1	-	-	(7)	(7)
					-	1,339	1,509	2,055

* Represents 0.1%
# Amount less than RM1,000

(b) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interest that is material to the Group is as follows:-

	FEETS and its subsidiary, PT FEETS			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
<u>At 31 December</u>				
Non-current assets	-	11	24	427
Current assets	-	29	580	160
Current liabilities	-	(2,774)	(3,697)	(4,795)
Net liabilities	-	(2,734)	(3,093)	(4,208)
<u>Financial Year Ended 31 December</u>				
Revenue	-	-	78	69
Loss for the financial year	-	-	(845)	(930)
Total comprehensive expenses attributable to owners of the Company	-	-	(789)	(779)
Total comprehensive expenses attributable to non-controlling interests	-	-	(9)	(165)
Net cash flows from/(for) operating activities	-	17	(271)	278
Net cash flows for investing activities	-	(11)	(37)	(409)
Net cash flows for financial activities	-	-	(471)	-

(c) Summarised financial information of non-controlling interest for RSCL and PT RAMS has not been presented as the non-controlling interest of the subsidiaries are not individually material to the Group.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

18. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	2020 RM'000
At 1 January	-
Issued during the financial year	4,493
Interest expense recognised in profit or loss	244
At 31 December	4,737

On 30 June 2020, the Company issued 3,553,000 Class A Redeemable Convertible Preference Shares ("Class A RCPS") and 940,000 Class B Redeemable Convertible Preference Shares ("Class B RCPS") at RM1 per RCPS.

The salient features of RCPSs are as follows:-

(a) Each RCPS shall be converted into new ordinary shares of the Company at conversion ratio of 0.1 for Class A RCPS and 0.08 for Class B RCPS.

(b) The RCPS shall be converted by the Company into ordinary shares in the share capital of the Company at the Conversion Ratio at no further costs upon receipt of the necessary approvals from amongst others, Bursa Malaysia Securities Berhad ("Bursa Securities"), Securities Commission of Malaysia ("SC") and Equity Compliance Unit of the SC in connection with the listing of and quotation for the shares of the Company on ACE Market of Bursa Securities ("Listing").

(c) In the event there is no Listing for whatsoever reason within two (2) years from the date of issuance of the RCPS, the holder of RCPS shall be entitled to require the Company to redeem, subject to compliance with applicable laws, all the outstanding RCPS at the subscription price for each RCPS together with an internal rate of return of ten percent (10%).

(d) The RCPS holders do not carry any right to vote at any general meeting of the Company except on resolutions to amend the RCPS holder's rights or to commence dissolution of the Company.

(e) The RCPSs are not entitled to be paid any dividends by the Company.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

19. HIRE PURCHASE PAYABLES

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Minimum hire purchase payments:				
- not later than 1 year	118	173	-	-
- later than 1 year and not later than 5 years	301	346	-	-
	419	519	-	-
Less: future finance charges	(36)	(59)	-	-
Present value of hire purchase payable	383	460	-	-
Analysed by:-				
Current liabilities	102	146	-	-
Non-current liabilities	281	314	-	-
	383	460	-	-

The hire purchase payables at the end of the reporting period was subjected to the following effective interest rates per annum:-

	2017 %	2018 %	2019 %	2020 %
Effective interest rates	4.62% - 4.71%	4.62% - 9.00%	-	-

(a) The hire purchase payables have been represented as 'lease liabilities' in the financial year 2019 and 2020 as shown in Note 20 to the financial statements following the application of MFRS 16 by the Group using the modified retrospective approach.

(b) The interest rates were fixed at the inception of the hire purchase arrangements.

(c) Certain lease liabilities of the Group are secured against a personal guarantee by a director of RSCL.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

20. LEASE LIABILITIES

	FYE 31 December 2019 RM'000	FYE 31 December 2020 RM'000
At 1 January		
- As previously reported	-	804
- Initial appplication of MFRS 16	460	-
- As restated	460	804
Addition during the year	496	-
Change due to rent concession	-	(107)
Interest expense recognised in profit or loss	36	32
Repayment of principal	(164)	(211)
Repayment of interest expense	(36)	(23)
Translation differences	12	(3)
At 31 December	804	492
Analysed by:-		
Current liabilities	384	341
Non-current liabilities	420	151
	804	492

The comparative information for the FYE 31 December 2017 and 31 December 2018 is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

The lease terms range from 2 to 5 years and bear effective interest rates ranging from 3.57% to 9.00% (2019 – 4.62% to 9.00%).

Certain hire purchase payables of the Group are secured against a personal guarantee by a director of RSCL.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

21. TERM LOANS (SECURED)

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Current liabilities	712	442	329	367
Non-current liabilities	376	275	162	1,758
	1,088	717	491	2,125

Details of the term loans are as follows:-

	Number of monthly installments	Monthly installments	Commencement date
Term loan 1	60	MYR 7,676	June 2017
Term loan 2	240	MYR 1,028	September 2016
Term loan 3	60	MYR 15,625	March 2020
Term loan 4	84	MYR 13,384	March 2020
Term loan 5	84	MYR 6,180	September 2020
Term loan 6*	48	SGD 5,100	December 2014
Term loan 7**	24	SGD 8,612	July 2015
Term loan 8***	60	SGD 3,937	August 2016

** Fully settled in the financial year 2018.*
*** Fully settled in the financial year 2017.*
**** Fully settled in the financial year 2020.*

(a) The term loans of the Group at the FYE 31 December 2020 bore effective interest rates ranging from 3.57% to 8.90% (2019 - 4.82% to 10.15%; 2018 - 4.70% to 10.88%; 2017 - 4.70% to 10.88%).

(b) Term loans 1, 2, 3, 4 and 5 are secured by the following:-

(i) Facilities agreements for the total sum of RM360,000 (Term Loan 1), RM150,600 (Term Loan 2) and RM400,000 (Term Loan 5) respectively;
(ii) Legal charges over property of RAMS;
(iii) A joint and several guarantee of the directors of RAMS;
(iv) Guarantee by Credit Guarantee Corporation Malaysia Berhad for RM252,000 (Term Loan 1) and RM570,500 (Term Loan 4) respectively;
(v) A life issurance policy of RM750,000 is to be taken by directors or shareholders of RAMS and assigned to the Bank (Term Loan 3);
(vi) A guarantee coverage of up to 70% on the Loan and normal interest by Jaminan Pembiayaai Perniagaan Berhad (Term Loan 3); and
(vii) Guarantee by the Government of Malaysia under Working Capital Guarantee Scheme (Term Loan 5).

(c) Term loans 6, 7 and 8 is secured by a joint and several guarantee of the directors of RUSPL.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

22. DEFERRED TAX LIABILITIES

	FYE 31 December			
	2017 RM'000	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
At 1 January	76	93	72	-
Recognised in profit or loss (Note 32)	17	(21)	(72)	-
At 31 December	93	72	-	-

Deferred tax liabilities represent excess of net carrying amount over tax written down value of property and equipment.

23. TRADE PAYABLES

The normal trade terms granted to the Group range from 30 to 60 (2019, 2018 and 2017 - 30 to 60) days.

24. OTHER PAYABLES AND ACCRUALS

	FYE 31 December			
	2017 RM'000	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
Other payables	87	150	595	1,542
Accruals	390	312	232	1,143
Sales tax payable	79	81	143	561
Share application monies	-	-	4,268	-
Withholding tax payable	4	37	91	22
Others	-	-	-	156
	560	580	5,329	3,424

Included in the other payables as at the FYE 31 December 2019 is an amount owing to a shareholder of the Group amounting to RM100,000, which was subsequently settled.

Share application monies represent the amount received by the Group in respect of the redeemable convertible preference shares subscription by the investors. The redeemable convertible preference shares are alloted in year 2020 as disclosed in Note 18 to the combined financial statements.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

25. SHORT-TERM BORROWINGS

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bank overdrafts	670	795	416	608
Flexi loan	652	627	602	595
	1,322	1,422	1,018	1,203

(a) <u>Bank Overdrafts</u>

The bank overdrafts at the end of the reporting periods bore effective interest rates of 3.50% (2019 - 4.75%; 2018 - 4.90%; 2017 - 4.65%) per annum.

The bank overdrafts are secured by:-
<u>FYE 31 December 2020</u>
(i) First party/third party individual of fixed deposit of RM200,000 together with the letter of Set-Off and interest on the fixed deposit to be capitalised and pledged as additional security;
(ii) A joint and several guarantee by the directors of RAMS;
(iii) Corporate guarantee of RM600,000 from Ramssol Group Berhad; and
(iv) A non-resident guarantee of USD equivalent to RM600,000 to be executed by Mr. Nguyen Dinh Minh, a former director of RUSPL.

<u>FYE 31 December 2017, 2018 and 2019</u>
(i) First party/third party individual of fixed deposit of RM200,000 together with the letter of Set-Off and interest on the fixed deposit to be capitalised and pledged as additional security;
(ii) A joint and several guarantee by the directors of RAMS; and
(iii) A non-resident guarantee of USD equivalent to RM600,000 to be executed by Mr. Nguyen Dinh Minh, a former director of RUSPL.

RAMS
The bank overdraft facility bears interest rate of 1.75% per annum above the bank's base lending rate on a daily rest basis for the FYE 31 December 2017, 2018, 2019 and 2020.

RUSPL
The bank overdraft facility bears interest rate of 10.88% (2019 and 2018 - 10.88%) per annum.

(b) <u>Flexi Loan</u>

The flexi loan of the Group at the end of the reporting periods bore an effective interest rate of 7.20% (2019 - 8.45%; 2018 - 8.60%; 2017 - 8.35%) per annum.

The flexi loan is secured by:-
(i) Facility agreement for the sum of RM705,011;
(ii) Legal charges over the property of RAMS;
(iii) A joint and several guarantee by the directors of RAMS; and
(iv) A non-resident guarantee by Mr. Nguyen Dinh Minh, a former director of RUSPL.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

26. REVENUE

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
<u>Revenue from Contracts with Customers</u>				
- Provision of HCM and student management solutions	5,611	10,186	14,071	15,349
- Provision of IT staff augmentation services	1,197	2,337	1,290	876
- Provision of HCM technology applications	-	-	78	8,681
- Provision of IT-Related Training	-	-	-	425
	6,808	12,523	15,439	25,331

HCM – Human Capital Management

27. OTHER INCOME

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Included in other income are the following items:-				
COVID-19-related subsidies from government	-	-	-	263
COVID-19-related rent concessions	-	-	-	107
Gain on disposal of equipment	-	-	1	48
Realised gain on foreign exchange	#	6	80	-
Unrealised gain on foreign exchange	-	-	27	24
Interest income on financial assets not at fair value through profit or loss:				
- others	2	-	5	6
Rental income from investment property	-	-	-	36

 # - Amount less than RM1,000

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

28. ADMINISTRATIVE EXPENSES

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Included in administrative expenses are the following items:-				
Auditors' remuneration:				
- current financial year	31	33	71	118
Directors' remuneration:				
- fees	-	-	18	101
- other emoluments	24	64	32	32
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	851	822	582	771
- defined contributions benefits	85	77	42	97
Lease expenses:-				
- rental of equipment	2	3	3	26
- rental of premises	124	145	-	-
- short-term leases	-	-	148	109
Staff cost:				
- salaries and other benefits	312	464	892	2,552
- defined contribution benefits	15	19	55	160

29. OTHER EXPENSES

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Included in other expenses are the following items:-				
Impairment on goodwill	-	1,397	-	-
Loss on disposal of equipment	36	-	-	-
Loss on foreign exchange:				
- realised	9	-	-	9
- unrealised	8	12	2	71
Preliminary expenses	-	-	4	-
Listing expenses	-	-	-	1,475

30. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Impairment losses on:				
- trade receivables	15	-	-	213
- other receivables	-	-	-	18

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

31. FINANCE COSTS

	FYE 31 December			
	2017 RM'000	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
Included in finance costs are the following items:-				
Interest expense on lease liabilities	-	-	36	32
Total interest expenses on financial liabilities that are not at fair value through profit or loss:				
- hire purchase	22	27	-	-
- bank overdraft	35	39	17	49
- flexi loan	31	31	30	23
- term loans	95	68	38	95
- redeemable convertible preference shares	-	-	-	244
- others	7	14	16	-

32. INCOME TAX EXPENSE

	FYE 31 December			
	2017 RM'000	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
Current tax expense:				
- for the financial year	-	118	100	415
- under/(over)provision in the previous financial years	7	(48)	-	-
	7	70	100	415
Deferred tax (Note 22):				
- for the financial year	(97)	(21)	(13)	-
- under/(over)provision in previous financial years	114	-	(59)	-
	17	(21)	(72)	-
	24	49	28	415

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	FYE 31 December			
	2017 RM'000	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
Profit before taxation	112	226	3,828	7,415
Tax at the applicable statutory tax rate 24%	27	54	919	1,780
Tax effects of:-				
Non-deductible expenses	283	418	579	456
Non-taxable income	(360)	(356)	(1,188)	(1,906)
Deferred tax assets not recognised for the financial year	17	66	243	236
Utilisation of deferred tax asset previously not recognised	(51)	-	(350)	(64)
Effects of differential in tax rates	(13)	(85)	(116)	(87)
Under/(over)provision in the previous financial years	121	(48)	(59)	-
Income tax expense for the financial year	24	49	28	415

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

32. INCOME TAX EXPENSE (CONT'D)

RAMS

FYE 31 December 2017, 2018, 2019 and 2020

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019, 2018 and 2017 - 24%) of the estimated assessable profit for the financial year. RAMS qualifies for the reduced statutory tax rate of 17% (2019: 17%, 2018: 18%, 2017: 18%) on the first RM600,000 (2019, 2018 and 2017 - RM500,000) of chargeable income.

RAMS has been granted pioneer status for 100% tax exemption for a period of 5 years, which expired on 20 November 2019. Subsequently on 14 December 2020, RAMS has been granted new pioneer status for 100% tax exemption on specific business activities for a period of 5 years, from 21 November 2019 to 20 November 2024.

RUSPL

FYE 31 December 2017, 2018, 2019 and 2020

The corporate tax rate of chargeable income is 17% (2019, 2018 and 2017 - 17%).

RSCL

FYE 31 December 2017, 2018, 2019 and 2020

The corporate tax rate of chargeable income is 20% (2019 and 2018: 20%, 2017: 15%).

RUSVCL

RUSVCL did not incur income tax expenses for the FYE 31 December 2017, 2018, 2019 and 2020 due to the accumulated losses in prior financial years. Tax losses will be carried forward to upcoming years to be utilised against the profits in the future. RUSVCL's corporate income tax is determined in accordance with the law on corporate income tax and relevant legal requirements in Vietnam, which is 20% of assessable income.

FEETS

FYE 31 December 2019 and 2020

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019 - 24%) of the estimated assessable profit for the financial year.

PT RAMS

FYE 31 December 2019 and 2020

The corporate tax rate of chargeable income is 25% (2019 - 25%).

Based on Indonesia's Government Regulation No. 23 year 2018 regarding Income Tax on revenues from businesses received or obtained by a taxpayer who has a particular gross revenue turnover, taxpayers with a gross revenue below Rp4,800,000,000 are charged with a final income tax at 0.5% of the gross revenue. Such regulation was effectively applied on 1 July 2018.

PT RAMS has not incurred revenue for the period from incorporation date to 31 December 2019, and hence, no income tax expense recorded as at the financial year ended 31 December 2019.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

32. INCOME TAX EXPENSE (CONT'D)

No deferred tax assets are recognised by the Group in respect of the following items:-

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unused tax losses and unabsorbed capital allowances	1,230	4,203	3,764	4,485
Accelerated capital allowances	-	-	(7)	(11)
	1,230	4,203	3,757	4,474

33. OTHER COMPREHENSIVE INCOME

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Item that Will be Reclassified Subsequently to Profit or Loss				
Foreign currency translation:				
- changes during the financial year	215	4	111	(37)

34. EARNINGS PER SHARE

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit attributable to owners of the Group (RM)	88	177	4,494	7,533
Number of ordinary shares	810	800	510	510
Basic earnings per share (RM)	0.11	0.22	8.81	14.77

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

35. DIVIDENDS

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
RAMS	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interim dividends paid in respect of the following financial year:-				
31 December 2018:				
- first interim single-tier dividend of RM1.22 per ordinary share (500,001 ordinary shares)	-	610	-	-
31 December 2019:				
- first interim single-tier dividend of RM9.30 per ordinary share (500,001 ordinary shares)	-	-	4,650	-
	-	610	4,650	-

36. ACQUISITION OF A SUBSIDIARY

On 28 December 2018, RAMS acquired 51% equity interest in FEETS.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of the acquisition:-

	RM'000
Equipment	11
Amount owing by related parties	18
Cash and bank balances	11
Other payables	(57)
Amount owing to a director	(3)
Amount owing to related companies	(2,714)
Fair value of net identifiable assets acquired	(2,734)

Cash Flows Arising from the Acquisition

Fair value of net identifiable assets acquired	(2,734)
Less: Non-controlling interests	1,339
Group's share of net assets	(1,395)
Add: Goodwill on acquisition (Note 8)	1,397
Total cost of acquisition	2
Less: Cash and cash equivalents of subsidiary acquired	(11)
Net cash inflow from the acquisition of a subsidiary	(9)

The goodwill in relation to the acquisition of FEETS was impaired during the financial year ended 2018 as per disclosed in Note 8 to the combined financial statements.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

37. EFFECT OF ACQUISITION OF COMMON CONTROL SUBSIDIARIES

(a) In October 2018, RAMS acquired RSCL with an effective equity interest of 99.90%. The purchase consideration in relation to the acquisition of this subsidiary was RM124,800.

The difference between the purchase consideration and share capital acquired, amounted to RM114,000 and was accounted for accordingly in the merger reserve.

	RM'000
Cost of investment	125
Share capital acquired	(239)
Merger reserve	(114)

(b) In April 2019 and October 2019, RAMS acquired 100% of the shareholdings in RUSPL from common control shareholders and 100% of the shareholdings in RUSVCL from RUSPL.

The differences between the purchase consideration and the share capital acquired, amounted to RM374,000 and was accounted for accordingly as merger deficit.

RUSPL	**RM'000**
Cost of investment	921
Share capital acquired	(716)
Merger deficit	205

RUSVCL	**RM'000**
Cost of investment	169
Share capital acquired	-
Merger deficit	169

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

38. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of equipment and the addition of right-of-use assets is as follows:-

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
Equipment	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cost of equipment purchased	374	474	682	297
Amount financed through hire purchase	(280)	(205)	-	-
Cash disbursed for purchase of equipment	94	269	682	297
Right-of-use assets				
Cost of right-of-use assets acquired	-	-	496	-
Less: Addition of new lease liabilities	-	-	(496)	-
	-	-	-	-

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Hire purchases RM'000	Lease liabilities RM'000	Term loans RM'000	Flexi loans RM'000	Total RM'000
2017					
At 1 January	477	-	1,222	676	2,375
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	360	-	360
Repayment of borrowing principal	(375)	-	(482)	(24)	(881)
Repayment of borrowing interests	(22)	-	(95)	(31)	(148)
	(397)	-	(217)	(55)	(669)
Non-cash Changes					
New hire purchase	280	-	-	-	280
Finance charges recognised					-
in profit or loss	22	-	95	31	148
Foreign exchange translation	1	-	(12)	-	(11)
	303	-	83	31	417
At 31 December	383	-	1,088	652	2,123

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

38. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Hire purchases RM'000	Lease liabilities RM'000	Term loans RM'000	Flexi loans RM'000	Total RM'000
2018					
At 1 January	383	-	1,088	652	2,123
Changes in Financing Cash Flows					
Repayment of borrowing principal	(132)	-	(368)	(25)	(525)
Repayment of borrowing interests	(27)	-	(68)	(31)	(126)
	(159)	-	(436)	(56)	(651)
Non-cash Changes					
New hire purchase	205	-	-	-	205
Finance charges recognised in profit or loss	27	-	68	31	126
Foreign exchange translation	4	-	(3)	-	1
	236	-	65	31	332
At 31 December	460	-	717	627	1,804
2019					
At 1 January	460	-	717	627	1,804
Effect of adoption of MFRS 16	(460)	460	-	-	-
At 1 January, as restated	-	460	717	627	1,804
Changes in Financing Cash Flows					
Repayment of borrowing principal	-	(164)	(226)	(25)	(415)
Repayment of borrowing interests	-	(36)	(38)	(30)	(104)
	-	(200)	(264)	(55)	(519)
Non-cash Changes					
Acquisition of new leases	-	496	-	-	496
Finance charges recognised in profit or loss	-	36	38	30	104
Foreign exchange translation	-	12	-	-	12
	-	544	38	30	612
At 31 December	-	804	491	602	1,897

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

38. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

2020	RCPS RM'000	Lease liabilities RM'000	Term loans RM'000	Flexi loans RM'000	Total RM'000
At 1 January	-	804	491	602	1,897
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	1,965	-	1,965
Repayment of borrowing principal	-	(211)	(332)	(7)	(550)
Repayment of borrowing interests	-	(23)	(95)	(23)	(141)
	-	(234)	1,538	(30)	1,274
Non-cash Changes					
Change due to rent concession	-	(107)	-	-	(107)
Finance charges recognised in profit or loss	244	32	95	23	394
Issuance of RCPS	4,493	-	-	-	4,493
Foreign exchange translation	-	(3)	1	-	(2)
	4,737	(78)	96	23	4,778
At 31 December	4,737	492	2,125	595	7,949

(c) The total cash outflows for leases as a lessee are as follows:-

	2019 RM'000	2020 RM'000
Payment of short-term leases	148	135
Interest paid on lease liabilities	36	23
Payment of lease liabilities	164	211
	348	369

(d) The cash and cash equivalents comprise the following:-

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Cash and bank balances	504	679	3,691	2,844
Bank overdrafts	(670)	(795)	(416)	(608)
Cash and cash equivalents	(166)	(116)	3,275	2,236

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

39. KEY MANAGEMENT PERSONNEL

The key management personnel of the Group includes executive director and non-executive directors of the Group and certain members of senior management of the Group.

The key management personnel compensation during the respective financial years are as follows:

(a) Directors

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Directors of the Company				
Short-term employee benefits:				
- fees	-	-	18	101
- salaries, bonuses and allowances	633	676	445	803
	633	676	463	904
Defined contribution benefits	77	77	42	97
	710	753	505	1,001
Directors of the Subsidiaries				
Short-term employee benefits:				
- fees	-	-	-	-
- salaries, bonuses and allowances	242	210	169	-
	242	210	169	-
Defined contribution benefits	8	-	-	-
	250	210	169	-
Total directors' remuneration	960	963	674	1,001

(1) In the FYE 31 December 2019 and 2020, the directors of the Company includes directors of the Company and RAMS.
(2) From FYE 2017 to FYE 2020, amounts disclosed under 'Directors of the Company' are salaries, bonuses and allowances provided to the Directors for their roles as Directors of the Subsidiaries of the Group.

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM32,350 (2019 - RM32,400; 2018 - RM63,928; 2017 - RM23,700) respectively.

(b) Other Key Management Personnel

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Short-term employee benefits	29	190	115	174
Defined contribution benefits	4	5	3	21
	33	195	118	195

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

40. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following transactions with the related parties for the respective financial years:-

	FYE 31 December			
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Management service fee paid or payable to a company in which directors of the Company has substantial financial interest				
- Springbok Consulting Sdn. Bhd.	100	60	-	-
Management service fee received or receivable from a related party				
- Feets Sdn. Bhd.	-	60	-	-
Research and development expenses charged to a related party				
- Feets Sdn. Bhd.	-	2,126	-	-
Advances from directors	-	-	2,086	-
Repayment to directors	(5)	-	(1,215)	(2,115)
Advances to directors	(369)	(423)	(37)	-
Repayment from directors	17	314	89	-
Advances to a related party				
- Feets Sdn. Bhd.	(30)	(499)	-	-
(Advances to)/Repayment from a company in which directors of the Company has substantial financial interest				
- Springbok Consulting Sdn. Bhd.	(135)	(401)	18	-
Rental paid or payable to directors	-	-	-	48

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the combined financial statements.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS

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.

(a) The management assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group level basis by the central treasury function and are not allocated to reportable segments.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

(d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on combination.

No segmental analysis by business segment is prepared as the Group operates predominantly in one industry.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS

Audited FYE 31 December 2017	**Malaysia RM'000**	**Singapore RM'000**	**Thailand RM'000**	**Others RM'000**	**Group RM'000**
Revenue					
External revenue	1,891	4,405	482	30	6,808
Inter-segment revenue	200	-	-	-	200
	2,091	4,405	482	30	7,008
Adjustments/eliminations on combination					(200)
Combined revenue					6,808
Represented by:-					
<u>Revenue recognised at a point in time</u>					
- Provision of HCM and student management solutions	171	402	312	-	885
- Provision of IT staff augmentation services	193	-	-	-	193
<u>Revenue recognised over time</u>					
- Provision of HCM and student management solutions	753	3,773	170	30	4,726
- Provision of IT staff augmentation services	774	230	-	-	1,004
	1,891	4,405	482	30	6,808
Combined revenue					6,808
Results					
Segment profit/(loss) before interest and taxation	550	322	(245)	(196)	431
Finance costs					(190)
Adjustments/eliminations on combination					(129)
Combined profit before taxation					112
Income tax expense					(24)
Combined profit after taxation					88
Segment profit before interest and taxation includes the following:-					
Allowance for impairment losses on trade receivables	-	-	-	15	15
Depreciation of property and equipment	227	130	1	-	358
Interest expense	115	75	-	-	190
Loss on disposal of equipment	36	-	-	-	36
Loss on foreign exchange:					
- realised	5	4	-	-	9
- unrealised	-	-	-	8	8
Interest income	-	-	(2)	-	(2)

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

Audited FYE 31 December 2017	**Malaysia RM'000**	**Singapore RM'000**	**Thailand RM'000**	**Others RM'000**	**Group RM'000**
Assets					
Segment assets	5,645	1,981	309	-	7,935
Unallocated assets:					
- current tax assets					5
Adjustments/eliminations on combination					(1,314)
Combined total assets					6,626
Additions to non-current assets other than financial instruments:-					
- Equipment	370	-	4	-	374
Liabilities					
Segment liabilities	3,442	987	11	385	4,825
Unallocated liabilities:					
- current tax liabilties					#
Adjustments/eliminations on combination					(1,187)
Combined total liabilities					3,638

Less than RM1,000

Audited FYE 31 December 2018	**Malaysia RM'000**	**Singapore RM'000**	**Thailand RM'000**	**Others RM'000**	**Group RM'000**
Revenue					
External revenue	3,322	3,982	5,063	156	12,523
Inter-segment revenue	1,136	140	-	-	1,276
	4,458	4,122	5,063	156	13,799
Adjustments/eliminations on combination					(1,276)
Combined revenue					12,523
Represented by:-					
<u>Revenue recognised at a point in time</u>					
- Provision of HCM and student management solutions	200	338	3,974	-	4,512
- Provision of IT staff augmentation services	445	-	-	-	445
<u>Revenue recognised over time</u>					
- Provision of HCM and student management solutions	1,052	3,377	1,089	156	5,674
- Provision of IT staff augmentation services	1,625	267	-	-	1,892
	3,322	3,982	5,063	156	12,523
Combined revenue					12,523
Results					
Segment profit/(loss) before interest and taxation	1,843	(563)	515	(121)	1,674
Finance costs					(179)
Adjustments/eliminations on combination					(1,269)
Combined profit before taxation					226
Income tax expense					(49)
Combined profit after taxation					177

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

Audited FYE 31 December 2018	**Malaysia RM'000**	**Singapore RM'000**	**Thailand RM'000**	**Others RM'000**	**Group RM'000**
Segment profit before interest and taxation includes the following:-					
Depreciation of property and equipment	249	61	35	-	345
Impairment loss on goodwill	1,397	-	-	-	1,397
Interest expense	122	46	11	-	179
(Gain)/Loss on foreign exchange:					
- realised	-	(6)	-	-	(6)
- unrealised	12	-	-	-	12
Assets					
Segment assets	6,394	841	1,174	132	8,541
Adjustments/eliminations on combination					(3,353)
Combined total assets					5,188
Additions to non-current assets other than financial instruments:-					
- Equipment	199	23	252	-	474
Liabilities					
Segment liabilities	5,794	438	472	613	7,317
Unallocated liabilities:					
- current tax liabilties					2
Adjustments/eliminations on combination					(3,226)
Combined total liabilities					4,093

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

Audited **FYE 31 December 2019**	**Malaysia** **RM'000**	**Singapore** **RM'000**	**Thailand** **RM'000**	**Others** **RM'000**	**Group** **RM'000**
Revenue					
External revenue	6,385	3,469	5,433	152	15,439
Inter-segment revenue	-	-	-	-	-
	6,385	3,469	5,433	152	15,439
Adjustments/eliminations on combination					-
Combined revenue					15,439
Represented by:-					
Revenue recognised at a point in time					
- Provision of HCM and student management solutions	8	296	1,503	-	1,807
- Provision of IT staff augmentation services	92	-	-	-	92
Revenue recognised over time					
- Provision of HCM and student management solutions	5,071	3,173	3,930	90	12,264
- Provision of IT staff augmentation services	1,198	-	-	-	1,198
- Provision of HCM technology applications	17	-	-	61	78
	6,386	3,469	5,433	151	15,439
Combined revenue					15,439
Results					
Segment profit/(loss) before interest and taxation	4,061	1,900	(672)	(337)	4,952
Finance costs					(137)
Adjustments/eliminations on combination					(987)
Combined profit before taxation					3,828
Income tax expense					(28)
Combined profit after taxation					3,800
Segment profit before interest and taxation includes the following:-					
Depreciation of property and equipment	243	10	7	-	260
Depreciation of right-of-use assets	109	22	52	-	183
Interest expense	90	29	17	1	137
(Gain)/Loss on foreign exchange:					
- realised	(8)	(72)	-	-	(80)
- unrealised	-	9	(34)	#	(25)
Gain on disposal of equipment	(1)	-	-	-	(1)
Interest income	-	-	(3)	(2)	(5)

Less than RM1,000

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

Audited **FYE 31 December 2019**	**Malaysia** **RM'000**	**Singapore** **RM'000**	**Thailand** **RM'000**	**Others** **RM'000**	**Group** **RM'000**
Assets					
Segment assets	16,610	2,535	1,978	1,783	22,906
Adjustments/eliminations on combination					(12,945)
Combined total assets					9,961
Additions to non-current assets other than financial instruments:-					
- Equipment	647	6	29	-	682
- Right-of-use assets	358	138	-	-	496
Liabilities					
Segment liabilities	16,698	676	1,926	917	20,217
Unallocated liabilities:					
- current tax liabilities					96
Adjustments/eliminations on combination					(10,157)
Combined total liabilities					10,156

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

Audited **FYE 31 December 2020**	**Malaysia** **RM'000**	**Singapore** **RM'000**	**Thailand** **RM'000**	**Others** **RM'000**	**Group** **RM'000**
Revenue					
External revenue	12,626	2,835	7,554	2,316	25,331
Inter-segment revenue	-	-	-	136	136
	12,626	2,835	7,554	2,452	25,467
Adjustments/eliminations on combination					(136)
Combined revenue					25,331
Represented by:-					
Revenue recognised at a point in time					
- Provision of HCM and student management solutions	-	294	1,494	189	1,977
- Provision of IT staff augmentation services	55	172	-	-	227
Revenue recognised over time					
- Provision of HCM and student management solutions	2,818	2,369	6,060	2,125	13,372
- Provision of IT staff augmentation services	649	-	-	-	649
- Provision of HCM technology applications	8,679	-	-	2	8,681
- Provision of IT-related training	425	-	-	-	425
	12,626	2,835	7,554	2,316	25,331
Combined revenue					25,331
Results					
Segment profit/(loss) before interest and taxation	2,884	(1,188)	2,761	(417)	4,040
Finance costs					(443)
Adjustments/eliminations on combination					3,818
Combined profit before taxation					7,415
Income tax expense					(415)
Combined profit after taxation					7,000
Segment profit before interest and taxation includes the following:-					
Depreciation of property and equipment	167	10	14	9	200
Depreciation of investment property	17	-	-	-	17
Depreciation of right-of-use assets	205	69	(28)	-	246
Interest expense	401	30	12	-	443
(Gain)/Loss on foreign exchange:					
- realised	7	9	1	(8)	9
- unrealised	63	5	3	(24)	47
Gain on disposal of equipment	(48)	-	-	-	(48)
Interest income	(1)	-	-	(5)	(6)
Impairment losses on:					
- trade receivables	213	-	-	-	213
- other receivables	-	-	-	18	18

- Amount less than RM1,000

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

Audited **FYE 31 December 2020**	**Malaysia** **RM'000**	**Singapore** **RM'000**	**Thailand** **RM'000**	**Others** **RM'000**	**Group** **RM'000**
Assets					
Segment assets	22,691	1,287	4,034	1,501	29,513
Unallocated assets:					
- current tax assets					14
Adjustments/eliminations on combination					(9,772)
Combined total assets					19,755
Additions to non-current assets other than financial instruments:-					
- Equipment	265	-	5	27	297
- Development costs	651	-	-	74	725
Liabilities					
Segment liabilities	20,437	644	2,200	980	24,261
Unallocated liabilities:					
- current tax liabilities					196
Adjustments/eliminations on combination					(11,469)
Combined total liabilities					12,988

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

41.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

The information on the disaggregation of revenue based on geographical region is summarised below:-

	FYE 31 December Revenue			
	2017 RM'000	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**
Group				
- Malaysia	1,698	2,876	4,885	11,534
- Singapore	4,177	3,982	3,577	2,879
- Thailand	482	5,063	5,433	7,554
- Vietnam	30	156	90	-
- Indonesia	-	-	1,362	3,310
- Netherland	193	446	92	54
- Taiwan	228	-	-	-
	6,808	12,523	15,439	25,331

41.3 MAJOR CUSTOMERS

The following are the major customers with revenue which equals to or more than 10% of the Group's total revenue in the respective financial years:-

	FYE 31 December Revenue				Business Segment
	2017 RM'000	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**	
Customer 1	-	-	2,359	-	Provision of HCM and student management solutions
Customer 2	-	-	2,025	-	Provision of HCM and student management solutions
Customer 3	-	-	1,615	3,766	Provision of HCM and student management solutions
Customer 4	-	3,436	-	-	Provision of HCM and student management solutions
Customer 5	1,021	2,017	-	-	Provision of HCM and student management solutions, Provision of IT staff augmentation services
Customer 6	2,108	-	-	-	Provision of HCM and student management solutions
Customer 7	887	-	-	-	Provision of HCM and student management solutions
Customer 8	-	-	-	9,029	Provision of HCM technology applications, Provision of IT-related training

The above revenue from major customers are based on the sales proceeds amount.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

42. FOREIGN EXCHANGE RATE

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

FYE 31 December	2017	2018	2019	2020
Thai Baht	0.1242	0.1242	0.1368	0.1341
Singapore Dollar	3.0293	3.0355	3.0412	3.0396
United States Dollar	4.0475	4.1360	4.0930	4.0170
Indonesian Rupiah	N/A	N/A	0.0003	0.0003

43. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

43.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of major areas of treasury activity are as follows:

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Thai Baht ("THB"), Singapore Dollar ("SGD"), and Indonesia Rupiah ("IDR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

Audited 31 December 2017	**SGD RM'000**	**THB RM'000**	**USD RM'000**	**RM RM'000**	**Total RM'000**
Financial Assets					
Trade receivables	335	13	193	655	1,196
Other receivables	-	7	18	24	49
Amount owing by related parties	-	-	-	2,060	2,060
Amount owing by a director	-	236	-	309	545
Cash and bank balances	446	28	10	20	504
	781	284	221	3,068	4,354
Financial Liabilities					
Hire purchase payables	-	-	-	383	383
Term loans	618	-	-	470	1,088
Trade payables	-	-	2	162	164
Other payables and accruals	384	3	21	69	477
Amount owing to directors	17	-	-	8	25
Short-term borrowings	-	-	-	1,322	1,322
	1,019	3	23	2,414	3,459
Net financial (liabilities)/assets	(238)	281	198	654	895
Less: Net financial (liabilities)/ assets denominated in the entity's functional currency	238	(281)	(5)	(654)	(702)
Currency exposure	-	-	193	-	193

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Audited **31 December 2018**	**SGD** **RM'000**	**THB** **RM'000**	**USD** **RM'000**	**RM** **RM'000**	**Total** **RM'000**
Financial Assets					
Trade receivables	205	14	86	1,123	1,428
Other receivables	-	8	18	2	28
Amount owing by related parties	-	-	-	546	546
Amount owing by a director	-	615	-	(560)	55
Cash and bank balances	290	239	68	82	679
	495	876	172	1,193	2,736
Financial Liabilities					
Hire purchase payables	-	183	-	277	460
Term loans	339	-	-	378	717
Trade payables	-	-	1	191	192
Other payables and accruals	276	38	23	125	462
Amount owing to directors	16	-	-	11	27
Short-term borrowings	27	-	-	1,395	1,422
	658	221	24	2,377	3,280
Net financial (liabilities)/assets	(163)	655	148	(1,184)	(544)
Less: Net financial (liabilities)/ assets denominated in the entity's functional currency	163	(655)	(107)	1,184	585
Currency exposure	-	-	41	-	41

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Audited **31 December 2019**	**SGD** **RM'000**	**THB** **RM'000**	**USD** **RM'000**	**IDR** **RM'000**	**RM** **RM'000**	**Total** **RM'000**
Financial Assets						
Trade receivables	368	31	58	-	880	1,337
Other receivables	-	-	18	8	70	96
Cash and bank balances	700	13	128	296	2,554	3,691
	1,068	44	204	304	3,504	5,124
Financial Liabilities						
Lease liabilities	116	154	-	-	534	804
Term loans	215	-	-	-	276	491
Trade payables	-	101	-	-	-	101
Other payables and accruals	105	60	82	-	4,848	5,095
Amount owing to directors	-	155	-	-	1,963	2,118
Short-term borrowings	153	-	-	-	865	1,018
	589	470	82	-	8,486	9,627
Net financial assets/(liabilities)	479	(426)	122	304	(4,982)	(4,503)
Less: Net financial assets/ (liabilities) denominated in the entity's functional currency	(458)	426	(64)	(304)	4,982	4,582
Currency exposure	21	-	58	-	-	79

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Audited **31 December 2020**	**SGD** **RM'000**	**THB** **RM'000**	**USD** **RM'000**	**IDR** **RM'000**	**RM** **RM'000**	**Total** **RM'000**
Financial Assets						
Trade receivables	335	1,981	7	1,090	8,166	11,579
Other receivables	8	-	-	12	3	23
Cash and bank balances	441	1,269	37	15	1,082	2,844
	784	3,250	44	1,117	9,251	14,446
Financial Liabilities						
RCPS	-	-	-	-	4,737	4,737
Lease liabilities	49	110	-	-	333	492
Term loans	-	-	-	-	2,125	2,125
Trade payables	3	358	-	227	5	593
Other payables and accruals	363	303	37	126	2,012	2,841
Short-term borrowings	151	-	-	-	1,052	1,203
	566	771	37	353	10,264	11,991
Net financial assets/(liabilities)	218	2,479	7	764	(1,013)	2,455
Less: Net financial assets/ (liabilities) denominated in the entity's functional currency	(273)	(2,566)	-	(779)	1,013	(2,605)
Currency exposure	(55)	(87)	7	(15)	-	(150)

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the respective reporting period against the respective foreign currencies of the entities within the Group does not have a material impact on the profit/loss after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its interest-bearing borrowings. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 21 and 25 respectively to the combined financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans and short-term borrowings at the end of the reporting periods does not have material impact on the profit after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and short-term cash investments), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relating to the trade receivables as at the end of the respective reporting periods are as follows:-

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
Number of customers	4	3	4	2
Percentage	61%	64%	87%	71%

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to rights to consideration for services rendered to customers but not billed as at the reporting date. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments an external credit rating, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 210 days are deemed credit impaired and assess for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

For the FYE 31 December 2017, the loss allowance on trade receivables and contract assets were calculated under MFRS 139. The ageing analysis of trade receivables and contract assets are as follows:-

Audited	**Gross Amount RM'000**	**Impairment RM'000**	**Carrying Value RM'000**
31 December 2017			
Not past due	774	-	774
Past due:			
- less than 3 months	303	-	303
- 3 to 6 months	133	(14)	119
Trade receivables	1,210	(14)	1,196
Contract assets	146	-	146
	1,356	(14)	1,342

For the FYE 31 December 2018, 31 December 2019 and 31 December 2020, the information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised as below:-

Audited	**Gross Amount RM'000**	**Individual Impairment RM'000**	**Collective Impairment RM'000**	**Carrying Value RM'000**
31 December 2018				
Current (not past due)	710	-	-	710
Past due:				
- less than 3 months	626	-	-	626
- 3 to 6 months	92	-	-	92
- more than 6 months	14	(14)	-	-
Trade receivables	1,442	(14)	-	1,428

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Audited	**Gross Amount RM'000**	**Individual Impairment RM'000**	**Collective Impairment RM'000**	**Carrying Value RM'000**
31 December 2019				
Current (not past due)	739	-	-	739
Past due:				
- less than 3 months	589	-	-	589
- 3 to 6 months	9	-	-	9
- more than 6 months	14	(14)	-	-
Trade receivables	1,351	(14)	-	1,337
Contract assets	913	-	-	913
	2,264	(14)	-	2,250
31 December 2020				
Current (not past due)	10,005	-	(128)	9,877
Past due:				
- less than 3 months	1,029	-	(55)	974
- 3 to 6 months	600	-	(30)	570
- more than 6 months	158	-	-	158
Credit impaired	13	(13)	-	-
	11,805	(13)	(213)	11,579

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Note 10 and 14 to the combined financial statements respectively.

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of these receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group applies the general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial for FYE 2017, 2018 and 2019.

The information about the exposure to credit risk and the loss allowances calculated for the other receivables for FYE 2020 are summarised below:-

Audited 31 December 2020	**Gross Amount RM'000**	**Lifetime Loss Allowance RM'000**	**Carrying Value RM'000**
Low credit risk	11	-	11
Credit Impaired	18	(18)	-
	29	(18)	11

The movements in the loss allowances are disclosed in Note 11 to the combined financial statements.

Cash and Bank Balances

The Group considers these banks and financial institutions to have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial, and hence, it is not provided for.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount owing by related parties and directors

The Group applies the general approach to measuring expected credit losses for all intercompany balances. Generally, the Group considers loans and advances to related parties and directors to have low credit risks. The Group assumes that there is a significant increase in credit risk when a related party's financial position deteriorates significantly. As the Group is able to determine the timing of payments of the related parties and director's loans and advances when they are payable, the Group considers the loans and advances to be in default when the related parties and directors are not able to pay when demanded. The Group considers a related party's loan or advance to be credit impaired when the related party is unlikely to repay its loan or advance in full or the related party is continuously loss making or the related party is having a deficit in its total equity.

The Group determines the probability of default for these loans and advances individually using internal information available.

Amount owing by related parties and directors are subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

Audited **31 December 2017**	**Weighted Average Effective Interest Rate**	**Carrying Amount** RM'000	**Contractual Undiscounted Cash Flows** RM'000	**Within 1 Year** RM'000	**1 – 5 Years** RM'000	**Over 5 Years** RM'000
Non-derivative Financial Liabilities						
Hire purchase payables	4.67%	383	419	118	301	-
Term loans	7.43%	1,088	1,311	419	721	171
Short-term borrowings	7.77%	1,322	1,322	1,322	-	-
Trade payables	-	164	164	164	-	-
Other payables and accruals	-	477	477	477	-	-
Amount owing to directors	-	25	25	25	-	-
		3,459	3,718	2,525	1,022	171

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

Audited **31 December 2018**	**Weighted Average Effective Interest Rate**	**Carrying Amount** RM'000	**Contractual Undiscounted Cash Flows** RM'000	**Within 1 Year** RM'000	**1 – 5 Years** RM'000	**Over 5 Years** RM'000
Non-derivative Financial Liabilities						
Hire purchase payables	5.72%	460	519	173	346	-
Term loans	7.43%	717	873	273	440	160
Short-term borrowings	7.89%	1,422	1,422	1,422	-	-
Trade payables	-	192	192	192	-	-
Other payables and accruals	-	462	462	462	-	-
Amount owing to directors	-	27	27	27	-	-
		3,280	3,495	2,549	786	160

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

Audited **31 December 2019**	**Weighted Average Effective Interest Rate**	**Carrying Amount** RM'000	**Contractual Undiscounted Cash Flows** RM'000	**Within 1 Year** RM'000	**1 – 5 Years** RM'000	**Over 5 Years** RM'000
Non-derivative Financial Liabilities						
Lease liabilities	5.72%	804	860	424	436	-
Term loans	7.49%	491	577	272	155	150
Short-term borrowings	6.60%	1,018	1,018	1,018	-	-
Trade payables	-	101	101	101	-	-
Other payables and accruals	-	5,095	5,095	5,095	-	-
Amount owing to directors	-	2,118	2,118	2,118	-	-
		9,627	9,769	9,028	591	150

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

Audited **31 December 2020**	**Weighted Average Effective Interest Rate**	**Carrying Amount** RM'000	**Contractual Undiscounted Cash Flows** RM'000	**Within 1 Year** RM'000	**1 – 5 Years** RM'000	**Over 5 Years** RM'000
Non-derivative Financial Liabilities						
RCPS	10.00%	4,737	5,392	433	4,959	-
Lease liabilities	5.36%	492	517	360	157	-
Term loans	6.85%	2,125	2,723	506	1,666	551
Short-term borrowings	6.26%	1,203	1,203	1,203	-	-
Trade payables	-	593	593	593	-	-
Other payables and accruals	-	2,841	2,841	2,841	-	-
		11,991	13,269	5,936	6,782	551

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
RCPS	-	-	-	4,737
Lease liabilities	-	-	804	492
Hire purchase payables	383	460	-	-
Term loans	1,088	717	491	2,125
Short-term borrowings	1,322	1,422	1,018	1,203
	2,793	2,599	2,313	8,557
Less: Cash and bank balances	(504)	(679)	(3,691)	(2,844)
Net debt	2,289	1,920	(1,378)	5,713
Total equity	2,988	1,095	(195)	6,767
Debt-to-equity ratio	0.77	1.75	N/A	0.84

N/A – The debt-to-equity ratio is not presented as its cash and bank balances exceeded its total external borrowings.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	FYE 31 December 2017 RM'000
Financial Asset	
Loans and Receivables Financial Assets	
Trade receivables	1,196
Other receivables	49
Amount owing by related parties	2,060
Amount owing by a director	545
Cash and bank balances	504
	4,354
Financial Liability	
Other Financial Liabilities	
Trade payables	164
Other payables and accruals	477
Amount owing to directors	25
Hire purchase payables	383
Term loans	1,088
Short-term borrowings	1,322
	3,459

		FYE 31 December	
	2018 RM'000	2019 RM'000	2020 RM'000
Financial Asset			
Amortised Cost			
Trade receivables	1,428	1,337	11,579
Other receivables	28	96	23
Amount owing by related parties	546	-	-
Amount owing by a director	55	-	-
Cash and bank balances	679	3,691	2,844
	2,736	5,124	14,446
Financial Liability			
Amortised Cost			
RCPS	-	-	4,737
Lease liabilities	-	804	492
Trade payables	192	101	593
Other payables and accruals	462	5,095	2,841
Amount owing to directors	27	2,118	-
Hire purchase payables	460	-	-
Term loans	717	491	2,125
Short-term borrowings	1,422	1,018	1,203
	3,280	9,627	11,991

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	FYE 31 December 2017 RM'000
Financial Asset	
Loans and Receivables Financial Assets	
Net gains recognised in profit or loss	(2)
Financial Liability	
Other Financial Liabilities	
Net losses resognised in profit or loss	(190)

	FYE 31 December		
	2018 RM'000	2019 RM'000	2020 RM'000
Financial Asset			
Amortised Cost			
Net gains recognised in profit or loss	-	(5)	(6)
Financial Liability			
Amortised Cost			
Net losses resognised in profit or loss	(179)	(137)	(443)

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
The Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**RM'000**	**RM'000**
2017								
Financial Liabilities								
Hire purchase payables	-	-	-	-	383	-	383	383
Term loans	-	-	-	-	1,088	-	1,088	1,088
2018								
Financial Liabilities								
Hire purchase payables	-	-	-	-	460	-	460	460
Term loans	-	-	-	-	717	-	717	717
2019								
Financial Liabilities								
Lease liabilities	-	-	-	-	804	-	804	804
Term loans	-	-	-	-	491	-	491	491
2020								
Financial Liabilities								
Lease liabilities	-	-	-	-	492	-	492	492
RCPS	-	-	-	-	-	4,737	4,737	4,737
Term loans	-	-	-	-	2,125	-	2,125	2,125

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of the Group's term loans and short-term borrowings that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair values of hire purchase payables and lease liabilities that carry fixed interest rates are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The effective interest rates used to discount the estimated cash flows are as follows:-

	FYE 31 December			
	2017	2018	2019	2020
	%	%	%	%
Hire purchase payables/lease liabilities	4.62% - 4.71%	4.62% - 9.00%	4.62% - 9.00%	3.57% - 9.00%
Term loans (fixed rate)	Nil	Nil	Nil	5.00%
RCPS	Nil	Nil	Nil	10.00%

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

44. INITIAL APPLICATION OF MFRS 16

The Group has adopted MFRS 16 using the modified retrospective approach under which the cumulative effect of initial application is recognised as an adjustment to the retained profits as at 1 January 2019 (date of initial application) without restating any comparative information.

The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

(a) Lessee Accounting

At 1 January 2019, for leases that were classified as operating leases under MFRS 117, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at that date ranging from 4.62% to 9.00%. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease. The right-of-use assets were measured at their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at 1 January 2019.

The Group has used the following practical expedients in applying MFRS 16 for the first time:-

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

- Applied for the exemption not to recognise operating leases with a remaining lease term of less than 12 months as at 1 January 2019;

- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and

- Used hindsight in determining the lease term where the lease contract contains options to extend or terminate the lease.

For leases that were classified as finance leases, the Group has recognised the carrying amount of the leased asset and lease liability immediately before 1 January 2019 as the carrying amount of the right-of-use asset and the lease liability as at the date of initial application.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

44. INITIAL APPLICATION OF MFRS 16 (CONT'D)

(b) Financial Impacts

The main impacts resulting from the adoption of MFRS 16 at 1 January 2019 are summarised as below:-

Combined Statements of Financial Position

	<--------------------1 January 2019-------------------->		
	As Previously Reported RM'000	**MFRS 16 Adjustments RM'000**	**As Restated RM'000**
Property and equipment	2,177	(628)	1,549
Right-of-use assets	-	628	628
Lease liabilities			
- non-current liabilities	-	(314)	(314)
- current liabilities	-	(146)	(146)
Hire purchase payables			
- non-current liabilities	(314)	314	-
- current liabilities	(146)	146	-

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS AND SUBSEQUENT EVENTS

(a) The Companies Act 2016 came into operation on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replaced Companies Act 1965.

Amongst the key changes introduced under the Companies Act 2016 that have affected the financial statements of the Group upon its initial implementation are:-

(i) Removal of the authorised share capital; and
(ii) Ordinary shares ceased to have par value.

The Companies Act 2016 was applied prospectively and the impacts of implementation are disclosed in respective notes to the financial statements.

(b) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO until 4 March 2021 to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Group and of the opinion that there were no material financial impacts arising from the pandemic as at the end of the reporting period. Nevertheless, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

RAMSSOL GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONT'D)

(c) On 2 June 2020, the directors of the Group, Tan Chee Seng and Lee Miew Lan has transferred 100% of their shares in FEETS amounting to 722 and 660 number of ordinary shares respectively to Wong Kum Loong, a substantial shareholder of RAMS, at RM1 per share.

(d) On 30 June 2020, the directors of the Group have confirmed that the share subscription monies amounting to RM4,268,000 as at the financial year ended 31 December 2019 and RM225,000 subsequent to the financial year ended 31 December 2019 for the allotment of 3,553,000 Class A Redeemable Convertible Preference Shares ("Class A RCPS") and 940,000 Class B Redeemable Convertible Preference Shares ("Class B RCPS") at an issue price of RM1.00 each, respectively, have been duly received by the Group or such other as may be nominated by the Group. The Company have then allotted a total of 3,553,000 Class A RCPS and 940,000 Class B RCPS as fully paid-up share capital of the Company.

(e) On 18 August 2020, the Company has entered into a share swap agreement with the shareholders of RAMS, being Tan Chee Seng, Lee Miew Lan, Liew Yu Hoe and Wong Kum Loong ("Proposed Acquisition"), to acquire the entire issued share capital of RAMS comprising 500,001 ordinary shares for a purchase consideration of RM1,313,070 satisfied wholly by the issuance of 3,450,000 new shares at an issue price of RM0.3806 per share. The purchase consideration of RM1,313,256 for the acquisition of RAMS was arrived at on a "willing-buyer willing-seller" basis, after taking in consideration the combined audited NTA of RM1,313,256 as at 31 December 2019.

The completion of the Proposed Acquisition is conditional upon approval from the Securities Commission Malaysia and Bursa Malaysia Securities Berhad.

(f) On 9 April 2021 and 10 May 2021, the Company has obtained the approvals from the Bursa Malaysia Securities Berhad and Securities Commission Malaysia respectively. On 17 May 2021, the Company has completed the Proposed Acquisition and RAMS has become a wholly-owned subsidiary of the Company and the issued shares of the Company has increased from 10,000 ordinary shares to 3,460,000 ordinary shares.

(g) On 21 May 2021, the Company has converted Class A RCPS into new ordinary shares at a conversion ratio of 100 Class A RCPS for 10 new ordinary shares and Class B RCPS into new ordinary shares at a conversion ratio of 100 Class B RCPS for 8 new ordinary shares. The issued shares of the Company has increased from 3,460,000 ordinary shares to 3,890,500 ordinary shares.

(h) On 24 May 2021, the Company has completed its subdivision of issued shares for 1 existing ordinary share held by the registered shareholders into 43 new ordinary shares. The issued shares of the Company has increased from 3,890,500 ordinary shares to 167,291,500 ordinary shares.

RAMSSOL GROUP BERHAD

STATEMENT BY DIRECTORS

We, Tan Chee Seng and Lee Miew Lan, being two of the directors of Ramssol Group Berhad, state that, in the opinion of the directors, the combined financial statements set out on pages 4 to 107 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines - Issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as of 31 December 2017, 2018, 2019 and 2020, and of their financial performance and cash flows for the financial years ended 31 December 2017, 2018, 2019 and 2020.

Signed in accordance with a resolution of the director dated 31 MAY 2021

Tan Chee Seng **Lee Miew Lan**

14. STATUTORY AND OTHER GENERAL INFORMATION

14.1 EXTRACT OF OUR CONSTITUTION

Subject to the receipt of the approvals and fulfilment of the conditions as may be imposed by the relevant authorities as set out in Section 11.1 of this Prospectus, the following provisions relating to the selected matters are reproduced from our Constitution.

The words and expressions appearing in this section shall bear the same meanings used in our Constitution or the context otherwise requires.

14.1.1 Remuneration, voting and borrowing powers of Directors

(i) Remuneration of Directors

<u>Clause 93(1) to (3) – Remuneration of Directors</u>

(a) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

(b) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

(c) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

<u>Clause 84 – Remuneration of Managing Director or Executive Director</u>

A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board may determine.

(ii) Voting of Directors

<u>Clause 118 – Voting at Board Meetings</u>

(a) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

(b) Each Director is entitled to cast one (1) vote on each matter for determination.

<u>Clause 119 – Casting Vote</u>

In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

<u>Clause 105 – Directors' Interest in Contracts</u>

(a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.

(b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

(iii) Borrowing powers of Directors

<u>Clause 94(1) and (2) – Managing the business and affairs of the Company</u>

(1) The business and affairs of the Company shall be managed by or under the direction and supervision of the Directors who may pay all expenses incurred in promoting and registering the Company.

(2) The Directors may exercise all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company except any power that the Act or by this Constitution requires the Company to exercise in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

<u>Clause 95 – Borrowing powers</u>

Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) borrow money;

(2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(3) issue debentures and other Securities whether outright or as security; and / or

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company,

and otherwise to assist any person or company.

<u>Clause 96 – Operation of cheques, promissory notes, etc.</u>

All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any two (2) Directors or in such other manner as the Directors may from time to time determine.

Clause 97 – Power of attorney

(1) The Directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for the purposes and with the powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for a period and subject to any conditions as the Directors may think fit.

(2) Any powers of attorney granted under Clause 97(1) may contain provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in the attorney.

Clause 99 – Delegation of powers

Subject to the applicable laws and/or the Listing Requirements:

(1) the Directors may delegate any of their powers to a committee or committees consisting of such their number as they think fit;

(2) any committee formed under Clause 99(1) shall exercise the powers delegated in accordance with any directions of the Directors and a power so exercised shall be deemed to have been exercised by the Directors; and

(3) the Board shall, subject to the Listing Requirements and upon the committee's recommendation (where applicable), appoint a chairperson of the committee and determine the period for which he is to hold office.

14.1.2 Changes to share capital

Clause 8 – Variation of Rights

(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

  (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or

  (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

(2) The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:

  (a) for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present holding at least one-third (1/3) of the number of issued shares of such class, excluding any shares of that class held as treasury shares;

  (b) if that class of shares only has one (1) holder, a quorum is constituted by one (1) person present holding shares of such class; and

  (c) for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class.

(3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

<u>Clause 12 – Issue of Securities</u>

(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

(a) issue and allot shares in the Company; and

(b) grant rights to subscribe for shares or options over unissued shares in the Company.

(2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):

(a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;

(b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and

(c) for such consideration as the Directors may determine.

(d) No shares issued having the effect of transferring controlling interest in the Company without prior approval of members in general meeting.

(e) In the case of shares other than ordinary shares, no special rights to be attached until the same have been expressed in the constitution.

(f) Approval by members shall specify details of the amount of shares of options to be issued to employees / directors and a director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or public issue.

(g) Company must allot and issue securities, despatch notice of allotment to the allottees and make an application for the quotation of such securities within such periods as may be prescribed by the Exchange.

(3) (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

(4) Subject to the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.

Clause 46 – Alteration of Capital

(1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) subdivide its shares or any of them into shares, whichever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

(2) The Company may from time to time by special resolution and subject to other applicable requirements:

(a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or

(b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

14.1.3 Transfer of securities

Clause 14 – Transfer of securities

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Deposited Securities.

14.1.4 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

As at the date of this Prospectus, we only have one (1) class of shares, being ordinary shares, all of which rank equally with each other. There are no special rights attached to our Shares. Please refer to Section 3.3.5 of this Prospectus for a summary of the rights of our shareholders relating to voting, dividend and liquidation in respect of our Shares.

14.2 SHARE CAPITAL

(i) No Shares will be allotted, issued or offered on the basis of this Prospectus later than 6 months after the date of the issue of this Prospectus.

(ii) There is no founder, management or deferred shares in our Company. We have only one (1) class of shares in our Company, namely ordinary shares, all of which rank equally with one (1) another.

(iii) None of our Group's capital is under option, or agreed conditionally or unconditionally to be put under option.

(iv) Save as disclosed in Section 5.3 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company and our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, for the Financial Years Under Review and up to the LPD.

(v) Save for 5,600,000 Shares reserved for our eligible Directors, employees and business associates of our Group as disclosed in Section 3.3.1(ii) of this Prospectus,

    (a) no person including Directors or employees of our Group has been or is entitled to be given or has exercised any option to purchase or subscribe for any shares or debentures, warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries; and

    (b) there is currently no other scheme involving our Directors or employees of our Group in the capital of our Company or our subsidiaries.

(vi) As at the date of this Prospectus, we do not have any convertible debt securities, options, warrants and uncalled capital.

14.3 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND / OR EXERCISE VOTING RIGHTS

There is no limitation on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by law or by the constituent documents of our Company.

14.4 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his / her Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or rising from, such Shares.

14.5 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contract which is not in the ordinary course of our Group's business within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

(i) Conditional shares swap agreement dated 18 August 2020 entered into between Ramssol and Tan Chee Seng, Lee Miew Lan, Liew Yu Hoe, and Wong Kum Loong for the Acquisition, the supplemental letter of agreement dated 14 September 2020 for the extension of conditional period for the Acquisition from 17 September 2020 to 28 February 2021 and the supplemental letter of agreement dated 26 February 2021 for the extension of conditional period for the Acquisition from 28 February 2021 to 30 June 2021, which was completed on 17 May 2021;

(ii) Subscription agreements dated from 1 June 2019 to 30 April 2020 entered into between Ramssol and the business associates of Tan Chee Seng, Lee Miew Lan and our Group ("**Class A Subscribers**") in respect of the subscription of 3,553,000 Class A RCPS (as defined above) by the Class A Subscribers. Please refer to Section 5.5.1(b) of this Prospectus for further details of the Class A RCPS;

(iii) Subscription agreements dated from 1 June 2019 to 30 April 2020 entered into between Ramssol and the Related Parties and other parties ("**Class B Subscribers**") in respect of the subscription of 940,000 Class B RCPS (as defined above) by the Class B Subscribers. Please refer to Section 5.5.1(b) of this Prospectus for further details of the Class B RCPS; and

(iv) Underwriting Agreement dated 31 May 2021 entered into between Ramssol and our Underwriter for the underwriting of 11,200,000 Public Issue Shares and 5,600,000 Pink Form Shares, for the underwriting commission at the rate set out in Section 3.9.1 of this Prospectus.

14.6 MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the date of this Prospectus, our Group is not engaged in any material litigation, claim and / or arbitration, whether as plaintiff or defendant, which may have a material adverse effect on the business or financial position of our Group. Our Directors are not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of our Group in the 12 months immediately preceding the date of this Prospectus.

14.7 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

The relevant governmental laws, decrees, regulations, legislations and / or other requirements in Singapore, Indonesia, Thailand and Vietnam in relation to the repatriation of capital and the remittance of profit by or to our Group are as follows:

Vietnam

Under Vietnamese laws, there is no significant restriction on the management of repatriation of investment capital and remittance of profits of foreign investment projects.

Foreign investors are entitled to repatriate their investment capital upon (a) the dissolution or termination of operation of enterprises with foreign direct investment capital, (b) reduction of investment capital, and (c) liquidation or termination of the investment projects and business co-operation contracts in accordance with the Vietnamese Law on Investment so long as all financial obligations owed to the government of Vietnam have been satisfied.

Profits of foreign investors remitted from Vietnam shall be lawful profits derived or obtained from direct investment activities in Vietnam after financial obligations to the State of Vietnam pursuant to its laws and regulations have been fulfilled. According to Circular No. 186 / 2010 / TT-BTC dated 18 November 2010 (guidelines on remitting abroad profits earned by foreign organisations and individuals from their direct investment in Vietnam) ("Circular 186"), the investors might on their own or authorise the relevant company to notify the remittance and transfer of profits abroad directly to the managing tax authority of the company at least 7 working days before the date of the remittance of the said profits.

There are no withholding taxes imposed on repatriation of profits as may be paid by Rams Vietnam to Rams Malaysia as a foreign corporate shareholder.

It is required that the transfer of any principal investment capital, profits, interest payments and remittances abroad must be effected via a direct investment capital account (for a payment account in case the direct investment capital account has been closed due to the dissolution of the relevant company) opened at an authorised credit institution in Vietnam regardless whether the amount to the transferred are in the lawful currency of Vietnam or foreign currencies.

Singapore

Under the Singapore Companies Act, Chapter 50 and subject to any taxes applicable under Singapore Law, dividends may be paid out of profits available for distribution.

The constitution of Rams Singapore provides for the declaration of dividends by Rams Singapore in general meeting, but no dividend shall exceed the amount recommended by the directors of Rams Singapore. As there is no express provision in the constitution of Rams Singapore which requires that the declaration of dividends be made by way of a special resolution, the declaration of dividends may be made by Rams Singapore in general meeting by ordinary resolution and there is no requirement to withhold tax on such dividend payments. The constitution of Rams Singapore further provides that the directors of Rams Singapore may from time to time pay to its members such interim dividends as appear to the directors to be justified by the profits of Rams Singapore. There are no regulatory restrictions on payment of dividends to a foreign shareholder who is not subject to any financial sanctions or other restrictions imposed by the Monetary Authority of Singapore or other regulatory authorities.

As for capital it may not be returned to shareholders unless a capital reduction exercise is carried out in accordance with the provisions of the Singapore Companies Act and the constitution of Rams Singapore. There are no regulatory restrictions on payment from a capital reduction exercise to a foreign shareholder who is not subject to any financial sanctions or other restrictions imposed by the Monetary Authority of Singapore or other regulatory authorities.

Indonesia

The Indonesia's Investment Law No. 25 of 2007 (Art 8.1 and 8.3) ensures the rights of foreign investors to repatriate profits from Indonesia which can be in the form of payment of dividend, reduction of capital, payment liquidation proceeds or payment of royalties or technical fees.

However, repatriation of funds from Indonesia are subject to:

the Indonesian government or law enforcement (e.g. in order to protect the rights of creditors or to avoid losses to the state), has the right to defer the repatriation of profit if (a) the investor has any unsettled legal liabilities in Indonesia and (b) there are any pending taxes and / or royalties and / or government revenues from the investment;

if the repatriation will result in decrease / reduction in the foreign company's issued and paid-up capital, then it must first amend their articles of association (before the public notary), then obtain approval from the Minister of Law and Human Rights regarding the reduction of the issued and paid-up capital; and

if there are any foreign exchange activities (transfers of assets and financial liabilities between Indonesian residence – in this case, the company and other non-Indonesian residents, including transfers of foreign assets and foreign financial liabilities between Indonesian residents), the company is obliged to report said activities and Bank of Indonesia will require provision of the underlying transactional documents; and

payment of dividends from Rams Indonesia and Feets Indonesia to Rams Malaysia is subject to withholding tax at the rate of 20% which may be reduced to 15% in view of the Indonesia – Malaysia Tax Treaty subject to the fulfilment of the requirements by the laws of Indonesia.

Thailand

Under Thai laws, there is no significant restriction on the management of repatriation of investment capital and remittance of profits of foreign investment projects.

There is no limitation on the outward remittance of foreign currencies as repatriation of capital by a Thai registered company to its foreign shareholder, provided the capital must be returned pursuant to a capital reduction or dissolution exercise om accordance with the Thai Civil and Commercial Code and the company's Articles of Association. Supporting documents such as capital reduction resolution, dissolution confirmation, and / or evidence of initial capital remittance into Thailand are generally required to be submitted to the authorised Thai bank upon request for outward remittance.

Generally, there is no limitation on outward remittance of foreign currencies for payment of dividend by a Thai registered company to a foreign shareholder. However, dividends may only be paid out of the Thai registered company when the Thai registered company has earned profit. If it has incurred losses, the dividends cannot be declared until such losses have been made good. Dividend is taxable income which is subject to 10% withholding tax (except for a BOI Company or other tax exemptions). Before dividend declaration, the Thai registered company is required to allocate a mandatory legal reserve of at least one-twentieth (1 / 20) of the profit or more until such appropriation reaches one tenth (1 / 10) of the company's registered capital.

14.8 PUBLIC TAKE-OVERS

None of the following has occurred during the last financial year up to the LPD:

(i) Public take-over offers by third parties in respect of our Shares;

(ii) Public take-over offers by us in respect of other company's shares.

14.9 LETTERS OF CONSENT

The written consents of our Principal Adviser, Sponsor, Underwriter, Placement Agent, Company Secretary, Solicitors, Share Registrar and Issuing House listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of our Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and the Reporting Accountants' letters on the Pro Forma Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of our Independent Market Researcher for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

14.10 RESPONSIBILITY STATEMENT

(i) Our Directors, Promoters and Offerors have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

(ii) Kenanga IB as the Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

(The rest of this page is intentionally left blank)

14.11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during normal business hours for a period of 6 months from the date of this Prospectus:

(i) the Constitution of our Company;

(ii) the commercial agreements as set out in Section 6.18 of this Prospectus;

(iii) the IMR Report prepared by IMR as included in Section 7 of this Prospectus;

(iv) the Reporting Accountants' Report on the Pro Forma Statements of Financial Position as included in Section 12.1 of this Prospectus;

(v) the Accountants' Report as included in Section 13 of this Prospectus;

(vi) the material contracts as referred to in Section 14.5 of this Prospectus;

(vii) the letters of consent as referred to in Section 14.9 of this Prospectus; and

(viii) the audited financial statements of Ramssol for the Financial Years Under Review.

(The rest of this page is intentionally left blank)

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD, FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD	:	10.00 A.M., 22 JUNE 2021
CLOSING OF THE APPLICATION PERIOD	:	5.00 P.M., 29 JUNE 2021

Applications for the IPO Shares will be open and close at the dates stated above.

In the event of any change to the dates stated above, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATION

15.2.1 Application for Our IPO Shares by the Malaysian Public and Our Eligible Directors, Employees and Business Associates of Our Group

Types of Application and category of investors	Application Method
Applications by the Malaysian Public:	
(a) Individuals	**WHITE** Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	**WHITE** Application Form only
Applications by the Eligible Persons	**PINK** Application Form only

15.2.2 Application by selected investors via private placement

Types of Application	Application Method
Applications by:	
Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST ONE HUNDRED (100) IPO SHARES OR MULTIPLES OF ONE HUNDRED (100) IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Applications by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) You must be one of the following:

(a) a Malaysian citizen who is at least eighteen (18) years old as at the date of the application for our IPO Shares with a Malaysian address; or

(b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) You must not be a director or employee of Tricor Investor & Issuing House Services Sdn Bhd or an immediate family member of a director or employee of Tricor Investor & Issuing House Services Sdn Bhd; and

(iii) You must submit Applications by using only 1 of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

15.3.3 Application by the Eligible Directors, Employees and Business Associates of our Group

The Eligible Directors, employees and business associates of our Group will be provided with **PINK** Application Forms and letters from us detailing their respective allocation.

The Eligible Directors, employees and business associates may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Tricor Investor & Issuing House Services Sdn Bhd, Kenanga IB, participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.45 for each IPO Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 704**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one (1) of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32,
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

(ii) **DELIVER BY HAND AND DEPOSIT** in the Drop-in Boxes provided at their Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, so as to arrive not later than 5:00 p.m. on 29 June 2021.

We, together with Tricor Investor & Issuing House Services Sdn Bhd, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Forms to Tricor Investor & Issuing House Services Sdn Bhd.

15.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS–CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

15.7 AUTHORITY OF OUR BOARD AND TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

Tricor Investor & Issuing House Services Sdn Bhd on the authority of our Board reserves the right to:

(i) reject Applications which:

   (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

   (b) are illegible, incomplete or inaccurate; or

   (c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of Tricor Investor & Issuing House Services Sdn Bhd at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER / UNDER SUBSCRIPTION

In the event of over-subscription, Tricor Investor & Issuing House Services Sdn Bhd will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO shares and the balloting results in connection therewith will be furnished by Tricor Investor & Issuing House Services Sdn Bhd to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at https://tiih.online within one business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all the Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and / or eligible Directors, employees and business associates of our Group, subject to the underwriting arrangements and reallocation as set out in Section 3.3.3 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

15.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by Tricor Investor & Issuing House Services Sdn Bhd as per items (i) and (ii) above (as the case may be).

(iv) Tricor Investor & Issuing House Services Sdn Bhd reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

(i) Tricor Investor & Issuing House Services Sdn Bhd shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from Tricor Investor & Issuing House Services Sdn Bhd.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by Tricor Investor & Issuing House Services Sdn Bhd, by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from Tricor Investor & Issuing House Services Sdn Bhd.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(i) our IPO Shares allotted to you will be credited into your CDS account.

(ii) a notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) in accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Tricor Investor & Issuing House Services Sdn Bhd at telephone no. (603) 2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at https://tiih.online, 1 Market Day after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

(The rest of this page is intentionally left blank)