

Corporate Governance Overview Statement

The Board of Directors (“**Board**”) is committed to ensure that a high standard of corporate governance is practised throughout the Company and its subsidiary (“**the Group**”) in discharging its responsibilities with integrity, transparency and professionalism to protect and enhance shareholders’ value and the financial position of the Group.

The Board is pleased to report on the application of the principles of the Malaysian Code on Corporate Governance (“**Code**”) and the extent of compliance with the recommendations of the Code during the financial year ended 30 September 2024.

The Board has also provided specific disclosures on the application of each Practice in its Corporate Governance Report (“**CG Report**”). The CG Report was announced together with the Annual Report of the Company on 21 January 2025. Shareholders may obtain this CG Report by accessing this link: <http://www.aemulus.com> for further details.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I) Board Responsibility

Roles and Responsibilities of the Board

The Board recognises its duties and responsibilities as detailed in the Board Charter as expectations on how they discharge their duties.

The Board assumes the following principal functions and responsibilities: -

- a) Review, approve and monitor the overall strategies and direction of the Group;
- b) Identify the principal risks and implement appropriate system to manage such risks;
- c) Oversee and evaluate the conduct and performance of the Group’s business;
- d) Review the adequacy of the Group’s internal control policy;
- e) Succession planning, including appointing, assessing training needs and fixing the compensation of the Directors; and
- f) Ensures senior management has sufficient calibre and a succession plan is in place to ensure continuity of management.

The Board has delegated specific duties to four (4) subcommittees (Audit, Nomination, Remuneration and Risk Committees). These Committees have the authority to examine particular issues and report the same to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The presence of Independent Non-Executive Directors is necessary for corporate accountability as they provide unbiased and independent views. Even though all Directors have equal responsibility for the Group’s operations, the role of Independent Non-Executive Directors is particularly important in ensuring the strategies proposed by the management are discussed and examined while considering the long-term implications of the business, the Group, shareholders and other stakeholders’ interests.

The Board is alert to the possibility of potential conflicts of interest involving the Directors and the Company and affirms their commitment to ensure that such situations of conflicts are avoided.

Board Charter

The Board has adopted a charter to provide a reference for Directors in relation to the Board’s role, duties and responsibilities, and division of responsibilities between the Board, the Board Committees, the Chairman and the Chief Executive Officer. The Board Charter is subject to review periodically in order to ensure consistency with the Board’s strategic intent and relevant standards of corporate governance.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I) Board Responsibility (Cont'd)

Clear Functions of the Board and Management

To ensure the effective discharge of its functions and responsibilities, the Board Charter of the Company clearly sets out the relevant matters that are reserved for the Board's approval, as well as those that are delegated to the Board Committees, Independent Non-Executive Chairman and Chief Executive Officer.

Key matters reserved for Board's decision include, inter alia, the following: -

- a) Approval of business strategy and Group's operational plan and annual budget;
- b) Acquisition and disposal of assets of the Company or its subsidiary that are material in nature;
- c) Approval of investment or divestment in a company/business/property/undertaking;
- d) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- e) Any other significant business direction; and
- f) Corporate proposal on fund raising.

Code of Conduct and Ethics

The Board has also adopted a Code of Conduct and Ethics which is incorporated in the Board Charter of the Company. The said Code sets forth the expectations of the Company for its Directors and describes sound principles and standards of good practice that each Director is expected to uphold. It is formulated to enhance the standard of corporate governance and promote the ethical conduct of the Directors.

Directors are required to uphold the highest integrity in discharging their duties and in dealing with stakeholders, customers, employees and regulators.

In line with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption which come into force on 1 June 2020, the Board had on 22 May 2020, approved and adopted an Anti-Bribery and Corruption Policy ("**ABC Policy**") to prevent the occurrence of bribery and corrupt practices in relation to the Group's businesses.

The ABC Policy can be accessed through the Company's website (<http://www.aemulus.com>).

Whistle Blowing Policy

The Board recognises the importance of putting in place a Whistle Blowing Policy, which provides an avenue for employees to make good-faith disclosures and report instances of unethical, unlawful or undesirable conduct without fear of reprisal. The Whistle Blowing Policy can be accessed through the Company's website (<http://www.aemulus.com>).

Promoting Sustainability

The Group recognises the environmental, social and governance aspects of sustainability as key elements in the formulation of its objectives and strategies. The Group also recognises the need to safeguard and develop the workforce, strengthen stakeholders' relationships and protect the interest of shareholders. The sustainability activities are set out in the Sustainability Statement.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I) Board Responsibility (Cont'd)

Board meetings and Access to Information and Advice

The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties. All Directors are provided with the agenda and a full set of Board papers before each Board Meeting is convened. In addition to discussing the Group's performances in the meeting, certain matters which are reserved specifically for the Board's decision are discussed.

Senior management staff, investment bankers, accountants or solicitors will be appointed to act as advisers for any corporate proposal to be undertaken by the Group and will be invited to attend Board meetings at which the corporate proposal is to be deliberated, in order to provide the Board with professional opinion and advice and to clarify issues that may be raised by any Director.

The Board is regularly updated and advised by the Company Secretaries on new statutory as well as regulatory requirements. Every member of the Board has ready and unrestricted access to the advice and services of the Company Secretaries and the senior management. The Company Secretaries attend all Board and Board Committees' meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained.

Where appropriate, the Directors may obtain independent professional advice at the Company's expense on specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters being deliberated.

Company Secretaries

The Board is of the view that the current Company Secretaries are suitably qualified, competent and can support the Board in carrying out its roles and responsibilities. The Board obtained appropriate advice and services, if necessary, from the Company Secretaries to ensure adherence to Board meeting procedures and compliance with regulatory requirements.

Board Meetings and Time Commitment

The Board is satisfied with the time commitment given by the Directors of the Company in discharging their duties for the financial year ended 30 September 2024. The Directors also understand their responsibility to notify the Chairman before accepting any new directorship.

The Board is scheduled to meet at least four (4) times a year, with additional meetings to be convened when necessary. The Board met five (5) times during the financial year.

The Directors' attendance at the Board meetings during the financial year ended 30 September 2024 were as follows: -

Name of Directors	Attendance
Dato' Seri Lee Kah Choon	5/5
Mr. Ng Sang Beng	5/5
Ms. Ch'ng Suat Ping	5/5
Puan Tursina Binti Yaacob	5/5
Ms. Ju Siew Lee (appointed on 20 February 2024)	3/3

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I) Board Responsibility (Cont'd)

Directors' Training

The Board acknowledges the importance of continuous education and training to enable the effective discharge of its duties and encourages Directors to attend talks, training programmes and seminars to update themselves on new developments in the business environment. The Board will, through the Nomination Committee evaluate and determine the training needs of its Directors on an annual basis.

All Directors have attended and successfully completed the Mandatory Accreditation Training Programme as required by Bursa Malaysia Securities Berhad ("**Bursa Securities**"). They have also attended various continuous education programmes such as seminars and conferences.

The following members of the Board had attended various undermentioned programmes: -

Name	Title of Training
Dato' Seri Lee Kah Choon	Mandatory Accreditation Programme Part II By ICDM
	Management of Cyber Risk webinar by EY Consulting Sdn Bhd
	KPMG Tax Summit 2023
	Panellist: Penang's Industrial opportunities & Challenges
	International Semiconductor Executive Summit (SEA)
	Panellist: Empowering the Next Generation of Semiconductor Talents in SEA
	Climate Change & Carbon Footprint - Getting the Right Financial Risk & Reporting Perspectives
	Finance for non Finance Director
	Protected: Being Sued as an INED-A personal Journey by ICDM
	When do Investors Sell a Stock? Webinar by Bursa
	Anti Money Laundering and Anti Bribery & Corruption by Nature of Life
	Financial Health Check: Mastering the Art of Analyzing Company Statements By Bursa Malaysia
Mr. Ng Sang Beng	Learn More About UN GCNS at Our Virtual Open House!
	Bursa Malaysia: CSI Platform Demo with the London Stock
Ms. Ch'ng Suat Ping	How Can Boards Make th Most of Blockchain & Digital Assets
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Puan Tursina Binti Yaacob	Management of Cyber Risk
	Malaysia Carbon Market Forum
	JC3 Journey to Zero Conference 2023
	Climate Change & Carbon Footprint - Getting the Right Financial Risk & Reporting Perspectives
	Anti-Money Laundering and Combating the Financing of Terrorism (AMLCFT) Refresher Training
	Capturing Carbon: Understanding the CCS and CCUS Landscape
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape
FPAM Annual Signature Financial Planning Symposium 2024	

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I) Board Responsibility (Cont'd)

Directors' Training (Cont'd)

The following members of the Board had attended various undermentioned programmes (Cont'd): -

Name	Title of Training
Puan Tursina Binti Yaacob (Cont'd)	Being Sued as an INED – A Personal Journey
	International Social Wellbeing Conference 2024
	Commercial Organisational Offenses - Section 17A MACC ACT 2009
	Sustainability Reporting Masterclass
	SIDC Business Foresight Forum 2024
Ms. Ju Siew Lee	2024 Budget Seminar
	Corruption Risk Management
	MFRS Updates
	Capital Gain Tax
	Recent Development of LR, including COI
	Tax & Law Relating to property transaction, capital gain tax, estate and trust

II) Board Composition

Composition of the Board

The Board currently consists of five (5) members, comprising one (1) Executive Director and four (4) Independent and Non-Executive Directors.

The Board is led by an Independent Non-Executive Chairman. The Non-Executive Directors complement the Board with a mix of industry-specific knowledge, skill, expertise and commercial experience. There is a clear division of responsibilities among directors to ensure a balance of power and authority. The number of Independent Directors is in compliance with the ACE Market Listing Requirements of Bursa Securities (“**LR**”) which requires the Board to have at least two (2) Independent Directors or 1/3 of the Board of Directors, whichever is higher, to be Independent Directors.

The brief profile of each Board member is presented under the Directors' Profile of this Annual Report.

To assist the Board in the discharge of their duties effectively, the Board has delegated specific functions to certain committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Committee. Each committee will operate within its clearly defined terms of reference. The Chairperson of the various committees will report to the Board on the outcome of the committee meetings.

Tenure of Independent Directors

The Board notes the recommendation of the Code on the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a yearly basis.

Presently, the tenure of all the Independent Non-Executive Directors does not exceed a cumulative term of nine (9) years as recommended by the Code.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II) Board Composition (Cont'd)

Separation of Roles of Chairman and Chief Executive Officer

The role of the Independent Non-Executive Chairman and Chief Executive Officer are distinct and separate to ensure that there is a balance of power and authority. The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board.

The Chief Executive Officer has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Chief Executive Officer is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.

All decisions of the Board are made based on decision of the majority and no single Board member can make any decision on behalf of the Board, unless duly authorised by the Board. As such, no single individual or a group of individuals dominates the decision-making process.

Re-election of Directors

In accordance with the Company's Constitution, at the first Annual General Meeting of the Company, all the Directors shall retire from the office and be eligible for re-election and an election of Directors shall take place each year at the Annual General Meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. All the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires.

The Directors to retire in each year shall be those who have been the longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution of the Company. Any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The details of the Directors seeking re-election at the forthcoming Tenth Annual General Meeting are disclosed on pages 20 and 24 of this Annual Report.

Nomination Committee

The Nomination Committee comprises three (3) Independent and Non-Executive Directors. The Nomination Committee is chaired by an Independent and Non-Executive Director of the Company.

The duties and responsibilities of the Nomination Committee are guided by its terms of reference, which is published on the Company's website (<http://www.aemulus.com>).

The Nomination Committee is authorised by the Board to: -

- a) review the structure, size and composition of the Board;
- b) review the nomination for the appointment or reappointment of the Board members;
- c) recommend Directors who are retiring by rotation to be put forward for re-election; and
- d) ensure that all Board appointees undergo an appropriate introduction and training programmes.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II) Board Composition (Cont'd)

Nomination Committee (Cont'd)

The Company has in place a Fit and Proper Policy as a guide for the process and procedure for assessment of new appointments and re-appointments of Directors.

The Nomination Committee evaluated and assessed the Board's effectiveness in the following key areas: -

- Board mix and composition
- Quality of information and decision making
- Boardroom activities

The process also assesses the competencies of each Director in the areas of their contribution, performance, calibre and personality in relation to the skills, experience and other qualities they bring to the Board.

The Nomination Committee of the Company has assessed the effectiveness of the Board Committees during the financial year covering the following areas: -

- Committee composition and expertise
- Value and effectiveness in decision making
- Quality of communication and reporting

The Nomination Committee also undertakes an annual assessment of the independence of its independent directors based on criteria of independence as per the requirements of LR.

The Board recognises the importance of independence and objectivity in the decision-making process. The Board and its Nomination Committee in their annual assessment concluded that all four (4) Independent and Non-Executive Directors continue to demonstrate conduct and behaviour that are essential indicators of independence. Each of them continues to fulfil the definition and criteria of independence as set out in the LR.

When reviewing and assessing the candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election, the Nomination Committee shall evaluate the character and integrity, experience and competence, and time and commitment as prescribed under the Directors' Fit and Proper Policy of the Company.

The Nomination Committee and the Board do not set any target on gender, ethnicity and age diversity. Currently, the Company will provide equal opportunity to candidates who have the necessary skills, experience, competencies and other attributes regardless of gender, ethnicity and age.

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of the Code to the establishment of boardroom and workforce gender diversity policy. However, the Board does not adopt any formal boardroom diversity policy in the selection of new candidates to the Board.

The Board currently comprises of three (3) female directors, which comply with the recommendation of Practice 5.9 of the Code that the Board comprises at least 30% women directors.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II) Board Composition (Cont'd)

Nomination Committee (Cont'd)

The Nomination Committee had met four (4) times during the financial year. The record of attendance is as follows: -

Name of Nomination Committee Member	Attendance
Ms. Ch'ng Suat Ping (Chairperson)	4/4
Puan Tursina Binti Yaacob	4/4
Ms. Ju Siew Lee (Chairman) <i>(*Appointed as a member on 20 November 2024)</i>	Not Applicable
Dato' Seri Lee Kah Choon <i>(*Appointed as a member on 20 February 2024 and resigned as member on 20 November 2024)</i>	1/1*

The activities discharged by the Nomination Committee during the financial year are summarised as follows: -

- (a) Reviewed and assessed the balanced composition of the Board members, the effectiveness of the Board as a whole, the committees of the Board and the contribution and performance of each individual director.
- (b) Assessed the independence of the Independent and Non-Executive Directors.
- (c) Conduct fit and proper assessment on the performance, contribution and effectiveness of the retiring directors to be retired at the Annual General Meeting.
- (d) Reviewed the performance of the Board and Senior Management in addressing the Company's Sustainability or environmental, social and governance.
- (e) Reviewed the induction and training needs of Directors for the financial year ending 30 September 2024 and 30 September 2025.
- (f) Reviewed the term of office and performance of the Audit Committee and each of its members.
- (g) Reviewed and recommended the appointment of a new director.
- (h) Reviewed and recommended the change of board members and committees' members.

The Nomination Committee is satisfied with the level of independence demonstrated by the Independent Non-Executive Directors as well as the result of the assessment on the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director. The Nomination Committee is also satisfied with the performance of the Audit Committee as well as the performance of each of the Audit Committee members.

Workforce Diversity

The Group also has no immediate plans to implement a diversity policy as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. The Group will provide equal opportunity to candidates with merit.

Remuneration Committee

The Remuneration Committee comprises two (2) Independent and Non-Executive Directors and one (1) Executive Director and is chaired by an Independent Non-Executive Director. It meets as and when required but the Remuneration Committee shall meet not less than once a year.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II) Board Composition (Cont'd)

Remuneration Committee (Cont'd)

The Remuneration Committee is governed by its terms of reference, which is published on the Company's website. Its primary function is to recommend to the Board from time to time, the remuneration framework and package of the Executive Directors in all forms to commensurate with the respective contributions of the Executive Directors. The Executive Directors are to abstain from deliberations and voting on the decision in respect of their own remuneration packages. The Board as a whole decides on the remuneration of the Non-Executive Directors, including the Non-Executive Chairman. The individual concerned should abstain from deliberations of their own remuneration packages. Directors' fees and Directors' benefits are subject to shareholders' approval at the Annual General Meeting.

The Remuneration Committee had met one (1) time during the financial year and reviewed the remuneration package of Executive Director, the Directors' fees and benefits for Directors. The record of attendance is as follows: -

Name of Remuneration Committee Member	Attendance
Ms. Ju Siew Lee (Chairperson) <i>(*appointed as a chairperson on 20 February 2024)</i>	N/A*
Mr. Ng Sang Beng	1/1
Ms. Ch'ng Suat Ping	1/1

The Remuneration Committee had reviewed the remuneration package of the Executive Director and the Directors' fees and benefits during the financial year.

In general, the remuneration is structured to link rewards to corporate and individual performance, as in the case of the Executive Director and senior management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Directors concerned.

The remuneration of the Directors of the Company for the financial year ended 30 September 2024, for the Company as well as the group basis are as follows: -

Group	Salary, allowance, bonus and EPF (RM)	Indemnity given on insurance effected for any Directors (RM)	Fee (RM)	Total (RM)
Executive Director				
Mr. Ng Sang Beng	690,612	2,000	-	692,612
Non-Executive Directors				
Dato' Seri Lee Kah Choon	7,000	2,000	60,000	69,000
Ms. Ch'ng Suat Ping	7,000	2,000	50,000	59,000
Puan Tursina Binti Yaacob	7,000	2,000	50,000	59,000
Ms. Ju Siew Lee <i>(appointed as Director on 20 February 2024)</i>	3,000	2,000	30,632	35,632
Mr. Ong Chong Chee <i>(retired as Director on 20 February 2024)</i>	5,000	2,000	25,000	32,000
Mr. Friiscor Ho Chii Ssu <i>(retired as Director on 20 February 2024)</i>	5,000	2,000	25,000	32,000
Total	724,612	14,000	240,632	979,244

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II) Board Composition (Cont'd)

Remuneration Committee (Cont'd)

The remuneration of the Directors of the Company for the financial year ended 30 September 2024, for the Company as well as the group basis are as follows (Cont'd): -

	Salary, allowance, bonus and EPF (RM)	Indemnity given on insurance effected for any Directors (RM)	Fee (RM)	Total (RM)
Company				
<u>Executive Director</u>				
Mr. Ng Sang Beng	-	2,000	-	2,000
<u>Non-Executive Directors</u>				
Dato' Seri Lee Kah Choon	7,000	2,000	60,000	69,000
Ms. Ch'ng Suat Ping	7,000	2,000	50,000	59,000
Puan Tursina Binti Yaacob	7,000	2,000	50,000	59,000
Ms. Ju Siew Lee <i>(appointed as Director on 20 February 2024)</i>	3,000	2,000	30,632	35,632
Mr. Ong Chong Chee <i>(retired as Director on 20 February 2024)</i>	5,000	2,000	25,000	32,000
Mr. Friisor Ho Chii Ssu <i>(retired as Director on 20 February 2024)</i>	5,000	2,000	25,000	32,000
Total	34,000	14,000	240,632	288,632

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

In assisting the Board in discharging its duties on financial reporting, the Board has established the Audit Committee, comprising four (4) Independent Non-Executive Directors. The summary of the activities of the Audit Committee during the financial year ended 30 September 2024 are set out under the Audit Committee Report in this Annual Report.

Financial Reporting

The Board aims to present a balanced and clear assessment of the Group's financial positions and prospects in the financial statements and quarterly announcements to shareholders, investors and regulatory authorities in line with the financial reporting standards.

The Board is assisted by the Audit Committee to oversee the financial reporting processes and the quality of financial reporting for the Group. All quarterly financial reports and financial statements are reviewed and discussed by the Audit Committee before they are tabled to the Board for consideration. The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out on page 81 of this Annual Report.

Internal Control and Risk Management

The Board recognises the importance of risk management and internal controls in the overall management processes.

In assisting the Board in managing the risks of the Company, the Board has established a Risk Committee, comprising three (3) Independent and Non-Executive Directors and is chaired by an Independent and Non-Executive Director.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Internal Control and Risk Management (Cont'd)

The Risk Committee had met two (2) times during the financial year. The Risk Committee had appointed the Risk Manager and reviewed the Risk Register of the Company.

An overview of the state of internal controls and risk management within the Group is set out in this Annual Report under the Statement on Risk Management and Internal Control.

The Board has an overall responsibility to maintain a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with the internal procedures and guidelines.

Internal Audit Function

The Group has outsourced the internal audit function to an independent professional firm, which is independent of the activities and operations of the Group. The Internal Auditors work within the scope of an audit plan, which has been approved by the Audit Committee, to review and test the adequacy and effectiveness of the internal controls of the Group. The external auditors will, in the course of their statutory audit, conduct a review of the internal control procedures and highlight any internal control weaknesses which have come to their attention. All such findings and recommendations made by the Internal and External auditors are reported to the Audit Committee. Any significant issues are discussed at the Audit Committee's meetings.

The Internal Auditors will follow up on all its recommendations to ensure that management has implemented them in a timely and appropriate fashion. The Internal Auditors support the Audit Committee in its role to assess the effectiveness of the Group's overall system of internal controls.

Details on the Statement on Risk Management and Internal Control are furnished on pages 79 to 80 of this Annual Report.

Relationship with Auditors

The Audit Committee discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement.

A transparent and appropriate relationship with the auditors, both internal and external has been established through the Audit Committee. The external auditors are invited to discuss the annual financial statements, their audit plan, audit findings and other special matters that require the Board's attention.

The Audit Committee is empowered by the Board to review all issues in relation to the appointment and re-appointment, resignation or dismissal of external auditors. The Audit Committee has assessed the suitability and independence of the external auditors. The external auditors have confirmed that they are independent throughout the conduct of audit engagement in accordance with terms of professional and regulatory requirements. Accordingly, the Audit Committee has recommended the re-appointment of the external auditors at the Annual General Meeting of the Company.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Corporate Disclosure Policies and Procedures

Along with good corporate governance practices, the Company is committed to providing investors and the public with comprehensive, accurate and material information on a timely basis.

In line with this commitment and in order to enhance transparency and accountability, the Board has adopted an Internal Corporate Disclosure Policies and Procedures to facilitate the handling and disclosure of material information in a timely and accurate manner.

Leverage of Information Technology for Effective Dissemination of Information

Information of the Group is also accessible through the Company's website (<http://www.aemulus.com>) which is updated on a regular basis. The information available on the website includes among others the Group Annual Report, quarterly financial announcements, major and significant announcements and the latest corporate developments of the Group.

Strengthen Relationship between the Company and Shareholders

The Board recognises the value of investor relations and endeavours to maintain constant and effective communication with shareholders through timely and comprehensive announcements.

Conduct of General Meeting

The Annual General Meeting is the principal forum for dialogue with all shareholders. The participation of shareholders and investors, both individual and institutional, at general meetings is encouraged whilst requests for briefings from the press and investment analysts are usually met as a matter of course.

Notice of the Annual General Meeting and the annual report are sent to shareholders at least 28 days before the date of the meeting.

All the resolutions set out in the Notice of the last Annual General Meeting were put to vote by poll. The outcome of the Annual General Meeting was announced to Bursa Securities on the same meeting day.

COMPLIANCE WITH THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Company and the Group, and the highest level of integrity and ethical standards in all its business dealings.

This statement is made in accordance with a resolution passed in the Board of Directors' Meeting held on 6 January 2025.

Additional Compliance Information

1. Material Contracts Involving Directors, Chief Executive or Major Shareholders' Interest

There were no material contracts entered into by the Company and its subsidiary involving interests of the Directors, major shareholder, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

2. Recurrent Related Party Transactions of a Revenue or Trading Nature

There was no recurrent related party transaction of a revenue or trading nature during the financial year ended 30 September 2024 ("FYE 2024").

3. Utilisation of Proceeds

- i) On 26 August 2020, the Company completed the listing of 54,940,000 new ordinary shares to third party investors through private placement. The placement shares were issued at an issue price of RM0.57 per share and total proceeds of RM31,315,800 was received from the said placement.

The total proceeds raised of RM31,315,800 has been utilised as follows: -

Details of Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Reallocation (RM'000)	Balance of Proceed as at 12 December 2024 (RM'000)	Timeframe as stated in the announcement dated 11 August 2020 for utilisation of Private Placement Proceeds (RM'000)	Revised Expected Timeframe for Utilisation of proceeds from completion of the Private Placement
Future viable investment(s)	7,000	-	(7,000) [#]	-	Within 24 months [#]	Within 48 months [#]
Research and development expenditure	7,000	(7,000)	-	-	Within 24 months	Not Applicable
Partial repayment of bank borrowings	5,000	(5,000)	-	-	Within 6 months	Not Applicable
Marketing, branding and customer support activities	1,500	(1,500)	-	-	Within 24 months	Not Applicable
General working capital	10,616	(17,515)	6,899	-	Within 12 months	Not Applicable
Estimated expenses in relation to the Proposed Private Placement	200	(301) [^]	101	-	Within 1 month	Not Applicable
	31,316	(31,316)	-	-		

Note:-

[^] The actual amount incurred for expenses in relation to the Private Placement was RM0.301 million with the additional amount of RM0.101 million being reallocated from the amount earmarked for general working capital.

[#] The Company had on 25 August 2022 announced to extend the timeframe for the full utilisation of the proceeds raised from the Private Placement from 24 months to 48 months. The future viable investments was transferred to working capital based on the announcement made by the Company on 26 August 2024.

Additional Compliance Information (Cont'd)

3. Utilisation of Proceeds (Cont'd)

- ii) On 13 December 2021, the Company completed the listing of 60,678,000 new ordinary shares to third party investors through private placement. The placement shares were issued at an issue price of RM1.05 per share and total proceeds of RM63,711,900 was received from the said placement.

The total proceeds raised of RM63,711,900 has been utilised as follows:-

Details of Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Reallocation (RM'000)	Balance of Proceed as at 12 December 2024 (RM'000)	Timeframe as stated in the announcement dated 22 November 2021 for utilisation of Private Placement Proceeds (RM'000)	Revised Expected Timeframe for Utilisation of proceeds from completion of the Private Placement
Future investments/ acquisitions/ collaborations	7,000	-	-	7,000	Within 24 months	Within 48 months
Research and development ("R&D") expenditure	12,000	(12,000)	-	-	Within 24 months	Not Applicable
Capacity expansion	9,000	(167)	-	8,833	Within 24 months	Within 60 months
Additional investment in its joint venture	13,000	(6,565)	(6,435)*	-	Within 12 months	Not Applicable
Repayment of borrowings	9,000	(9,000)	-	-	Within 6 months	Not Applicable
Sustainability and environmental, social and governance ("ESG") efforts	500	(500)	-	-	Within 24 months	Not Applicable
Working capital	10,515	(10,515)	6,357*	-	Within 12 months	Not Applicable
Estimated expenses in relation to the Proposed Private Placement	800	(878)	78^	-	Upon completion of the Proposed Placement	Not Applicable
	61,815	(39,625)	-	15,833		

Note:-

^ The actual amount incurred for expenses in relation to the Private Placement was RM0.878 million with the additional amount of RM0.078 million being reallocated from the amount earmarked for general working capital.

* The Company had on 2 December 2023 announced to vary the utilisation of the proceeds for raised from the Placement the purpose of "Additional investment in its joint venture" to "Working capital" ("Variation"). The Group has allocated RM13 million for additional investment in its joint venture, but only utilised RM6.565 million for this purpose. The excess funds of RM6.435 million is re-allocated to working capital.

The timeframe for utilisation of future viable investments and capacity expansion was extended to 13 December 2025 and 13 December 2026, respectively. The Announcement was made by the Company dated 12 January 2024.

Additional Compliance Information (Cont'd)

4. Audit Fees

During FYE 2024, the amount of audit fees paid to external auditors by the Company and the Group respectively were as follows: -

	Audit Fee (RM)
Company	34,000
Group	89,000

5. Non-Audit Fees

During FYE 2024, the amount of non-audit fees paid to the external auditors and its affiliate by the Company and the Group respectively were as follows: -

	Non-Audit Fee (RM)
Company	15,500
Group	25,500

Non-audit services rendered by Grant Thornton Malaysia PLT and its affiliate for:

- Review of statement on risk management and internal control
- Review of Interim Financial Report of the Group
- Taxation services

6. AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN ("RSP")

RSP is the only share issuance scheme of Aemulus Holdings Berhad in FYE 2024 a maximum of 10% of the issued shares of Aemulus Holdings Berhad (excluding treasury shares) ("**Plan Share**") are available at any point in time during the tenure of the RSP. Further information on the RSP is set out in the Directors' Report and Note 35 of the Annual Audited Financial Statements for FYE 2024 in this Annual Report.

Brief details on the number of Plan Shares granted, vested and outstanding since the commencement of the RSP on 15 February 2016, FYE 2016, FYE 2017, FYE 2018, FYE 2019, FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024 are set out in the table below: -

AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN ("RSP")

For the period from 15 February 2016 to 30 September 2016	Type of Grant	Total	Executive Director / chief executive	Senior Management	Other Selected Employees
Number of Plan Shares granted	-	-	-	-	-
Number of Plan Shares vested	-	-	-	-	-
Number of Plan Shares forfeited	-	-	-	-	-
Number of Plan Shares outstanding as at 30 September 2016	-	-	-	-	-

Additional Compliance Information (Cont'd)

6. AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN ("RSP") (CONT'D)

AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN ("RSP") (CONT'D)

For the period from 1 October 2016 to 30 September 2017	Type of Grant	Total	Executive	Senior	Other
			Director / chief executive	Management	Selected Employees
Number of Plan Shares granted	RSP FYE 2017	808,300	-	107,200	701,100
Number of Plan Shares vested	RSP FYE 2017	-	-	-	-
Number of Plan Shares forfeited	RSP FYE 2017	(21,500)	-	-	(21,500)
Number of Plan Shares outstanding as at 30 September 2017	Total	786,800	-	107,200	679,600

For the period from 1 October 2017 to 30 September 2018	Type of Grant	Total	Executive	Senior	Other
			Director / chief executive	Management	Selected Employees
Number of Plan Shares granted	RSP FYE 2018	940,000	-	167,100	772,900
	Total	940,000	-	167,100	772,900
Number of Plan Shares vested	RSP FYE 2017	(337,000)	-	(53,600)	(283,400)
	RSP FYE 2018	-	-	-	-
	Total	(337,000)	-	(53,600)	(283,400)
Number of Plan Shares forfeited	RSP FYE 2017	(112,800)	-	-	(112,800)
	RSP FYE 2018	-	-	-	-
	Total	(112,800)	-	-	(112,800)
Number of Plan Shares outstanding as at 30 September 2018	RSP FYE 2017	337,000	-	53,600	283,400
	RSP FYE 2018	940,000	-	167,100	772,900
	Total	1,277,000	-	220,700	1,056,300

For the period from 1 October 2018 to 30 September 2019	Type of Grant	Total	Executive	Senior	Other
			Director / chief executive	Management	Selected Employees
Number of Plan Shares vested	RSP FYE 2017	(273,450)	-	(42,250)	(231,200)
	RSP FYE 2018	(303,700)	-	(70,050)	(233,650)
	Total	(577,150)	-	(112,300)	(464,850)
Number of Plan Shares forfeited	RSP FYE 2017	(63,550)	-	(11,350)	(52,200)
	RSP FYE 2018	(220,600)	-	(13,500)	(207,100)
	Total	(284,150)	-	(24,850)	(259,300)

Additional Compliance Information (Cont'd)

6. AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN (“RSP”) (CONT'D)

AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN (“RSP”) (CONT'D)

For the period from 1 October 2018 to 30 September 2019	Type of Grant	Total	Executive Director / chief executive	Senior Management	Other Selected Employees
Number of Plan Shares outstanding as at 30 September 2019	RSP FYE 2018	415,700	-	83,550	332,150
	Total	415,700	-	83,550	332,150

For the period from 1 October 2019 to 30 September 2020	Type of Grant	Total	Executive Director / chief executive	Senior Management	Other Selected Employees
Number of Plan Shares granted	RSP FYE 2020	1,775,300	-	-	1,775,300
	Total	1,775,300	-	-	1,775,300

Number of Plan Shares vested	RSP FYE 2018	(206,600)	-	(70,050)	(136,550)
	Total	(206,600)	-	(70,050)	(136,550)

Number of Plan Shares forfeited	RSP FYE 2018	(167,100)	-	(13,500)	(153,600)
	RSP FYE 2020	(381,000)	-	-	(381,000)
	Total	(581,100)	-	(13,500)	(534,600)

Number of Plan Shares outstanding as at 30 September 2020	RSP FYE 2018	42,000	-	-	42,000
	RSP FYE 2020	1,394,300	-	-	1,394,300
	Total	1,436,300	-	-	1,436,300

For the period from 1 October 2020 to 30 September 2021	Type of Grant	Total	Executive Director / chief executive	Senior Management	Other Selected Employees
Number of Plan Shares granted	RSP FYE 2021	1,341,800	-	-	1,341,800
	Total	1,341,800	-	-	1,341,800

Number of Plan Shares vested	RSP FYE 2018	(42,000)	-	-	(42,000)
	RSP FYE 2020	(1,339,300)	-	-	(1,339,300)
	RSP FYE 2021	(782,400)	-	-	(782,400)
	Total	(2,163,700)	-	-	(2,163,700)

Number of Plan Shares forfeited	RSP FYE 2020	(55,000)	-	-	(55,000)
	RSP FYE 2021	(62,400)	-	-	(62,400)
	Total	(117,400)	-	-	(117,400)

Number of Plan Shares outstanding as at 30 September 2021	RSP FYE 2021	497,000	-	-	497,000
	Total	497,000	-	-	497,000

Additional Compliance Information (Cont'd)

6. AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN (“RSP”) (CONT'D)

AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN (“RSP”) (CONT'D)

For the period from 1 October 2021 to 30 September 2022	Type of Grant	Total	Executive Director / chief executive	Senior Management	Other Selected Employees
Number of Plan Shares granted	RSP FYE 2022	1,895,800	-	-	1,895,800
	Total	1,895,800	-	-	1,895,800
Number of Plan Shares vested	RSP FYE 2021	(365,900)	-	-	(365,900)
	RSP FYE 2022	(199,900)	-	-	(199,900)
	Total	(565,800)	-	-	(565,800)
Number of Plan Shares forfeited	RSP FYE 2021	(131,100)	-	-	(131,100)
	RSP FYE 2022	(68,800)	-	-	(68,800)
	Total	(199,900)	-	-	(199,900)
Number of Plan Shares outstanding as at 30 September 2022	RSP FYE 2022	1,627,100	-	-	1,627,100
	Total	1,627,100	-	-	1,627,100

For the period from 1 October 2022 to 30 September 2023	Type of Grant	Total	Executive Director / chief executive	Senior Management	Other Selected Employees
Number of Plan Shares granted	RSP FYE 2023	2,122,400	-	-	2,122,400
	Total	2,122,400	-	-	2,122,400
Number of Plan Shares vested	RSP FYE 2022	(1,353,600)	-	-	(1,353,600)
	Total	(1,353,600)	-	-	(1,353,600)
Number of Plan Shares forfeited	RSP FYE 2022	(356,400)	-	-	(356,400)
	Total	(356,400)	-	-	(356,400)
Number of Plan Shares outstanding as at 30 September 2023	RSP FYE 2023	2,039,500	-	-	2,039,500
	Total	2,039,500	-	-	2,039,500

Additional Compliance Information (Cont'd)

6. AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN ("RSP") (CONT'D)

AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN ("RSP") (CONT'D)

For the period from 1 October 2023 to 30 September 2024	Type of Grant	Total	Executive Director / chief executive	Senior Management	Other Selected Employees
Number of Plan Shares granted	RSP FYE 2024	1,419,200	805,300	-	613,900
	Total	1,419,200	805,300	-	613,900
Number of Plan Shares vested	RSP FYE 2023	(1,954,400)	-	-	(1,954,400)
	Total	(1,954,400)	-	-	(1,954,400)
Number of Plan Shares forfeited	RSP FYE 2023	(85,100)	-	-	(85,100)
	Total	(85,100)	-	-	(85,100)
Number of Plan Shares outstanding as at 30 September 2024	RSP FYE 2024	1,419,200	805,300	-	613,900
	Total	1,419,200	805,300	-	613,900

The aggregate maximum allocation of the options or shares to the Directors and senior management of the Group shall be at the discretion of the RSP scheme committee, subject to the By-Laws of the RSP.

As of 30 September 2024, the actual percentage of Plan Shares granted to Senior Management was 10% of the total number of Plan Shares granted. The actual percentage of Plan Shares granted to Senior Management during FYE 2024 was 57%.

The Company has granted Plan Shares to the Director during FYE 2024. Details are as follows:

Name of Executive Director	Number of Plan Shares granted
Mr. Ng Sang Beng	291,300

The actual percentage of Plan Shares granted to the Executive Director was 21% of the total number of Plan Shares granted.

Audit Committee Report

AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

COMPOSITION OF AUDIT COMMITTEE

The present members of the Audit Committee (or “AC”) are as follows:

Name	Designation	Directorship
Ms. Ju Siew Lee <i>(Appointed as the AC Chairman on 20 February 2024)</i>	Chairman	Independent Non-Executive Director
Ms. Ch'ng Suat Peng	Member	Independent Non-Executive Director
Puan Tursina Binti Yaacob	Member	Independent Non-Executive Director

TERMS OF REFERENCE

The terms of reference of the AC, which laid down its duties and responsibilities are accessible via the Company's website at www.aemulus.com/.

MEETINGS AND ATTENDANCE

There were five (5) AC meetings held during the financial year ended 30 September 2024 (or “FYE2024”). The details of attendance are as follows: -

Members	Attendance
Ms. Ju Siew Lee (Chairman) <i>(*Appointed as the AC Chairman on 20 February 2024)</i>	3/3*
Ms. Ch'ng Suat Ping	5/5
Puan Tursina Binti Yaacob	5/5
Dato' Seri Lee Kah Choon <i>(*Appointed as the AC Member on 20 February 2024 and resigned as AC Member on 20 November 2024)</i>	3/3#
Mr. Ong Chong Chee <i>(*Retired as the AC Chairman on 20 February 2024)</i>	2/2#
Mr. Friisor Ho Chii Ssu <i>(*Retired as the AC member on 20 February 2024)</i>	2/2#

In carrying out its duties, the AC reported to and updated the Board on significant issues and concerns discussed during the AC's meetings and where appropriate, made necessary recommendations to the Board. The Secretaries were responsible to record all proceedings and minutes of all meetings of the AC.

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES OF THE AC

In line with the terms and reference of the AC, the following activities were carried out by the AC during FYE2024 in discharging its functions and duties: -

(i) Financial Reporting Oversight

- a) The AC reviewed the quarterly unaudited financial results and the annual audited financial statements of the Company with the finance team and thereafter recommended to the Board for approval, for announcement to Bursa Malaysia Securities Berhad (or “**Bursa**”) as follows: -

Date of meetings	Financial Statements
30 November 2023	Unaudited Interim Financial Report for the Fourth Quarter ended 30 September 2023
12 January 2024	Draft audited financial statements for the financial year ended 30 September 2023
20 February 2024	Unaudited Interim Financial Report for the First Quarter ended 31 December 2023
14 May 2024	Unaudited Interim Financial Report for the Second Quarter ended 31 March 2024
26 August 2024	Unaudited Interim Financial Report for the Third Quarter ended 30 June 2024

The AC reviewed the annual audited financial statements with the external auditors and finance team, focusing particularly on significant changes to accounting policies and practices, going concern assumptions, adjustments arising from the audits, compliance with the relevant accounting standards and other legal requirements to ensure compliance with the provisions of the Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (or “**ACE Market Listing Requirements**”).

(ii) Oversee activities of External Auditors in dealing with the Group

- a) On 26 August 2024, the AC reviewed and evaluated the performance and independence of the external auditors. The areas assessed were (a) caliber of external audit firm; (b) quality processes/performance; (c) audit team; (d) independence and objectivity; (e) audit scope and planning; (f) audit fees; (g) audit communications. The AC was satisfied with the performance and independence of the external auditors and recommended their re-appointment to the Board.
- b) On 30 November 2023, the AC reviewed the external auditors’ audit findings report for the financial year ended 30 September 2023.
- c) On 12 January 2023, the AC deliberated on the external auditors’ report at its meeting regarding the relevant disclosures in the annual audited financial statements for the financial year ended 30 September 2023.
- d) On 26 August 2024, the AC discussed and reviewed the external auditors’ audit planning memorandum for the FYE2024 outlining their audit team, objectives and scope, recent development of the Group, identified risks, important enquiries to the members of AC, audit approach, proposed audit timeline and reporting schedule and proposed audit fees. The AC also reviewed the audit fees of the external auditors for the ensuing year prior to the Board for approval.
- e) The AC met 3 times with the external auditors on 30 November 2023, 12 January 2024 and 26 August 2024 respectively without the presence of the Executive Directors and management staff to discuss any issues of concern to the external auditors arising from the annual statutory audit.

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

(iii) Internal Audit ("IA")

- a) During the reporting period, the internal auditors of the Company, JWC Consulting Sdn. Bhd. conducted a review on internal control focusing on the following areas and presented their findings together with recommendations and management action plan to the AC for review: -

Audit Area	Reporting Date
(i) Vendor selection and authorisation process of the Group	20 November 2024

Some weaknesses in internal control were identified for the year under review and measures have been or are being taken to address the areas of weaknesses. The internal auditors monitored the implementation of management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

- b) On 26 August 2024, the AC reviewed and assessed the internal audit function. The AC concurred that the scope, functions, competency and resources of the internal audit function are independent, and that it has the necessary authority to carry out its work.
- c) The AC has reviewed and approved the internal audit plan for the calendar year 2024.

(iv) Related Party Transaction

The AC reviewed any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions on management integrity during the financial year.

(v) Other matters considered by the AC

On 12 January 2024, the AC reviewed the AC Report for inclusion in the Annual Report.

AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN

Aemulus Holdings Berhad Restricted Share Plan (or "RSP") which had been approved by the shareholders of the Company at an Extraordinary General Meeting held on 12 December 2014 shall be in force for a duration of five years from 15 February 2016 until 14 February 2021. The Board had on 18 January 2021 announced that the Company had extended its existing RSP which expired on 14 February 2021 for another 5 years until 14 February 2026 in accordance with the terms of the By-Laws of the RSP.

During FYE2024, the Company granted 1,419,200 ordinary shares under the RSP to its eligible directors and employees. The AC verified the grant of the RSP shares to the eligible directors and employees pursuant to the RSP. The grant was made in accordance with the criteria of the grant as set out in the By-Laws of RSP.

Audit Committee Report (Cont'd)

INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to an independent professional services firm to carry out internal audit services for the Group. Internal audit reports will be presented, together with the Management's response and proposed action plans to the AC for deliberation. Where areas of improvement were required, it was highlighted to the Management for implementation. The AC monitored the progress of the implementation.

The Internal Auditors undertake internal audit functions based on the audit plan approved by the AC. The internal audit plan is derived based on the risk-based approach which addresses all the core auditable areas of the Group based on their risk profile.

The total cost of the internal audit function incurred in respect of FYE2024 amounted to RM12,430 in carried out the activities as disclosed above.

Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance 2017 requires listed companies to maintain a robust internal controls system to safeguard shareholders' investment and the Group's assets.

Guided by the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies, the Board of Directors of Aemulus Holdings Berhad is pleased to present the Statement on Risk Management and Internal Control ("Statement") which is prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the Internal Control Guidance.

RISK COMMITTEE

In assisting the Board to manage the risks of the Company, the Board has on 23 July 2020 established a Risk Committee. The Risk Committee comprises 3 Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director.

RISK MANAGEMENT FRAMEWORK

The Board practises proactive risks identification in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and assesses the appropriate risk response strategies and controls. Day-to-day risk management of operations are delegated to key management staff and head of departments to manage identified risks within defined parameters.

Periodic meetings attended by key management staff and head of departments and are held to discuss key operational issues, business performance matters and appropriate mitigating controls, when necessary.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional accounting and consulting firm, JWC Consulting Sdn. Bhd. as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out as per the annual audit plan approved by the Audit Committee.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on high risk area to ensure that an adequate action plan has in place to improve the controls in place. The audit ascertains that the risks are effectively mitigated by the controls. The internal auditors report to the Audit Committee on areas that required improvement. The highlighted areas will be followed up closely to determine the extent of their recommendations that have been implemented by the management.

Statement on Risk Management and Internal Control (Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Consistent monitoring of results against budget, with major variances being followed up and management action taken, where necessary; and
- Close involvement in the daily operation by the senior management.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by the Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the annual report for the financial year under review. Their review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountant. From the review conducted, the external auditors have reported that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosure required by paragraphs 41 and 42 of the Internal Control Guideline nor is the Statement factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

CONCLUSION

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to date of this statement. Taking this assurance into consideration, the Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 30 September 2024. The Board, the management and the Risk Committee members will continue to take necessary measures and ongoing commitment to strengthen and improve its risk management and internal control environment.

This Statement is issued in accordance with a resolution of the Board of Directors on 6 January 2025.

Statement of Directors' Responsibility

In Relation to the Audited Financial Statements

This statement is prepared pursuant to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to prepare audited financial statements that give a true and fair view of the state of affairs, including the cash flow and results, of the Group and the Company as at the end of each financial year.

In preparing these financial statements, the Directors have considered the following:

- The Group and the Company have used appropriate accounting policies, and are consistently applied;
- That reasonable and prudent judgements and estimates were made; and
- That the approved accounting standards in Malaysia have been applied.

The Directors are responsible for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the applicable Malaysian Financial Reporting Standards, the IFRS Accounting Standards and the requirements of the Companies Act 2016.

The Directors have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution passed in the Board of Directors' Meeting held on 6 January 2025.

83

Directors' Report

89

Statutory Declaration

100

Consolidated Statement of
Changes in Equity

89

Directors' Statement

90

Independent Auditors' Report to
the Members

102

Statement of Changes in
Equity

FINANCIAL

STATEMENTS

96

Statements of Financial Position

103

Statements of Cash Flows

98

Statements of Comprehensive
Income

106

Notes to the Financial
Statements



Directors' Report

For the Financial Year Ended 30 September 2024

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended **30 September 2024**.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding whilst the principal activities of the subsidiary are in the design and development of automated test equipment, test and measurement instruments and the provision of design consultancy and test-related services.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Loss for the financial year	(21,809,366)	(210,133)

In the opinion of the directors, the results of operations of the Group and of the Company for the financial year ended **30 September 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The Company is not in a position to pay any dividend in view of the current year loss and the accumulated losses as at the end of the reporting period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the notes to the financial statements.

SHARES CAPITAL AND DEBENTURES

During the financial year, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of:

- (i) 690,300 new ordinary shares pursuant to the Restricted Share Plan - IX;
- (ii) 25,300 new ordinary shares pursuant to the Restricted Share Plan - X;
- (iii) 1,208,800 new ordinary shares pursuant to the Restricted Share Plan - XI; and
- (iv) 30,000 new ordinary shares pursuant to the Restricted Share Plan - XII.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the existing ordinary shares of the Company.

Directors' Report

For the Financial Year Ended 30 September 2024 (Cont'd)

RESTRICTED SHARE PLAN ("RSP")

The RSP which had been approved by the shareholders of the Company at an Extraordinary General Meeting held on 12 December 2014, was implemented on 13 July 2017. It forms part of the Company's listing scheme during its Initial Public Offering on 15 September 2015 and is governed by the By-Laws of the RSP. The RSP will be in force for a maximum period of ten years from 15 February 2016 until 14 February 2026.

The salient features of the RSP are disclosed in Note 35 to the financial statements.

The movements of the RSP during the financial year is as follows:

Grant date	RSP	Number of RSP				Balance at end
		Balance at beginning	Granted	Vested	Lapsed*	
3.10.2022	IX	690,300	-	(690,300)	-	-
11.10.2022	X	25,300	-	(25,300)	-	-
21.6.2023	XI	1,293,900	-	(1,208,800)	(85,100)	-
3.8.2023	XII	30,000	-	(30,000)	-	-
3.10.2023	XIII	-	613,900	-	-	613,900
14.6.2024	XIV	-	805,300	-	-	805,300

* Lapsed due to resignation.

Details of share grants granted to the directors are disclosed in the section of Directors' Interests In Shares in this report.

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Dato' Seri Lee Kah Choon

Ng Sang Beng

* **Ch'ng Suat Ping**

Tursina Binti Yaacob

Ju Siew Lee (appointed on 20.2.2024)

Ong Chong Chee (resigned on 20.2.2024)

Friiscor Ho Chii Ssu (resigned on 20.2.2024)

Directors of the subsidiaries:

Yeoh Chee Keong

Wong Shee Kian

Ng Chin Wah (appointed on 24.12.2024)

Yang Ya Fei (appointed on 24.12.2024)

* The director is also director of the Company's subsidiaries.

Directors' Report

For the Financial Year Ended 30 September 2024 (Cont'd)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company or its related corporations during the financial year are as follows:

	----- Number of ordinary shares -----				Balance at 30.9.2024
	Balance at 1.10.2023	Bought	RSP Vested	Sold	
The Company					
Direct interest:					
Dato' Seri Lee Kah Choon	-	86,200	13,800	(80,000)	20,000
Ng Sang Beng	15,029,099	3,461,000	-	-	18,490,099
Ch'ng Suat Ping	88,000	-	-	-	88,000
Ju Siew Lee	-	100,000	-	-	100,000
Deemed interest:					
¹ Ng Sang Beng	109,294,874	-	-	-	109,294,874

	----- Number of share grants -----			Balance at 30.9.2024
	Balance at 1.10.2023	Granted	Vested	
The Company				
Direct interest:				
Dato' Seri Lee Kah Choon		13,800	(13,800)	-
Ng Sang Beng		-	291,300	291,300

¹ Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Aemulus Venture Sdn. Bhd., Crystal Clear (L) Foundation and his spouse respectively.

By virtue of his shareholdings in the Company, **Mr. Ng Sang Beng** is also deemed interested in the shares of the subsidiary of the Company, to the extent that the Company has interests.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARY RM	GROUP RM
Directors' fees	220,032	-	220,032
Salaries, allowances and bonus	34,000	616,616	650,616
Defined contribution plan	-	73,996	73,996
Social security contribution	-	1,040	1,040
Employment insurance scheme	-	119	119
	254,032	691,771	945,803

Directors' Report

For the Financial Year Ended 30 September 2024 (Cont'd)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the share grants awarded pursuant to RSP.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM14,000.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no bad debts to be written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other persons; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

Directors' Report

For the Financial Year Ended 30 September 2024 (Cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 37 to the financial statements.

Directors' Report

For the Financial Year Ended 30 September 2024 (Cont'd)

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors and its affiliate as remuneration for their services to the Group and the Company for the financial year ended 30 September 2024 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	89,000	34,000
Assurance related and non-audit services	25,500	15,500
Total	114,500	49,500

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....
Dato' Seri Lee Kah Choon

Penang,

Date: 6 January 2025

.....
Ng Sang Beng

Directors' Statement & Statutory Declaration

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 96 to 151 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **30 September 2024** and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....
Dato' Seri Lee Kah Choon

.....
Ng Sang Beng

Date: 6 January 2025

STATUTORY DECLARATION

I, **Ng Chin Wah**, the officer primarily responsible for the financial management of **Aemulus Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 96 to 151 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **6th**)
day of **January 2025**.)

.....
Ng Chin Wah
(MIA No.: 27028)
(Chief Financial Officer)

Before me,

.....
Goh Suan Bee
No. : P125
Commissioner for Oaths

Independent Auditors' Report

To the Members of Aemulus Holdings Berhad

Registration No. 201401037863 (1114009-H)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Aemulus Holdings Berhad**, which comprise the statements of financial position as at **30 September 2024** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 96 to 151.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **30 September 2024** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Capitalisation of Development Costs (Note 6 to the financial statements)</p> <p>As at 30 September 2024, the Group has development costs capitalised amounting to RM16.4 million, out of which RM6.19 million were additions during the financial year.</p>	<p>Our audit procedures in relation to the capitalisation of development costs included, amongst others, the following:</p> <ul style="list-style-type: none"> Reviewed management's written policy on capitalisation of the development projects to ensure that it is consistent with the requirements under <i>MFRS 138</i>;

Independent Auditors' Report

To the Members of Aemulus Holdings Berhad (Cont'd)

Registration No. 201401037863 (1114009-H)
(Incorporated in Malaysia)

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Capitalisation of Development Costs (Cont'd) <i>(Note 6 to the financial statements)</i></p> <p>The management has in place a written policy on capitalisation of the development projects which has been endorsed by the Directors and there are laid down criterion on capitalisation of the development projects that is consistent with the requirements under <i>MFRS 138</i>. Factors taken into by the Directors included the technical feasibility of completing the development projects so that it will be available for sale and how the management demonstrates the existence of a market for the development projects.</p> <p>We focus on this area as it involves management judgement and estimation uncertainty in determining the capitalisation of a development project and continuous assessment is required to ensure that no indicators exists which would require existing development project capitalised to be impaired.</p>	<p>Our audit procedures in relation to the capitalisation of development costs included, amongst others, the following: (Cont'd)</p> <ul style="list-style-type: none"> • Reviewed and assessed the development projects that was directly expensed off and capitalised during the financial year to ensure it complies with the conditions laid down in the written policy; • For all capitalised development projects, we have also interviewed the Chief Technology Officer of the Group to obtain an understanding of the commercial value of the development projects, covering the functionality of the developed product, potential market size, type of target customers and similar products available in the market; • Obtained an understanding of the process to capitalise engineering staff costs through timesheets, including how the work hours involved in the development projects are recorded, reviewed, and approved by appropriate personnel; • Challenged the reasonableness of cost capitalised especially on allocation of engineering staff costs between research and development phase by obtaining the basis of allocation; and • For each development project which has been successfully commercialised, we have reviewed the sales orders up to the date of our report to assess if there are impairment indicators which may result in impairment.
<p>Valuation of inventories <i>(Note 9 to the financial statements)</i></p> <p>The Group holds significant inventories as at 30 September 2024 which exposes the Group to a risk that the inventories may become slow-moving or recorded above their realisable value.</p> <p>The Group measures inventories at the lower of cost and net realisable value. Identifying and determining the appropriate write down of the inventories to net realisable value required judgement by the Group.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's inventory management process; - how the Group identifies and assesses inventories write-downs; and - how the Group makes the accounting estimates for inventories write-downs; • Reviewed the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year;

Independent Auditors' Report

To the Members of Aemulus Holdings Berhad (Cont'd)

Registration No. 201401037863 (1114009-H)

(Incorporated in Malaysia)

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Valuation of inventories (Cont'd) (Note 9 to the financial statements)</p> <p>We focus on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the following: (Cont'd)</p> <ul style="list-style-type: none"> • Attended the period end physical inventory counts to identify whether any inventories are slow moving or obsolete; • Reviewed and tested the net realisable value of inventories on a sampling basis; • Reviewed the ageing analysis of inventories and tested the reliability thereof; • Checked the subsequent movements of the raw materials, work-in-progress and finished goods to identify any slow moving items; and • Evaluated the reasonableness and adequacy of the inventories written down recognised for identified exposure.
<p>Impairment of trade receivables (Note 10 to the financial statements)</p> <p>The Group has significant trade receivables as at 30 September 2024 which include certain amounts that are long outstanding as a result of sales transactions with an associate that is based in China and it is subject to credit risk exposure.</p> <p>We focus on this area as the assessment of recoverability of trade receivables involved management judgement and estimation uncertainty in determining the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.</p>	<p>Our audit procedures in relation to the impairment of trade receivables included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's control over the customers' collection process; - the process of identifying and assessing the impairment of trade receivables; and - the basis of how the Group makes the accounting estimates for impairment of trade receivables. • Evaluated techniques and methodology in the expected credit loss ("ECL") approach against the requirement of <i>MFRS 9</i>; • Reviewed the ageing analysis of trade receivables and tested the reliability thereof; • Reviewed subsequent collections for major customers and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue balances; and • Examined other evidence including customer correspondences.

There are no key audit matters to be communicated in the audit of the separate financial statements of the Company.

Independent Auditors' Report

To the Members of Aemulus Holdings Berhad (Cont'd)

Registration No. 201401037863 (1114009-H)
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 statements.

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 statements of the Group and of the Company, 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.

Independent Auditors' Report

To the Members of Aemulus Holdings Berhad (Cont'd)

Registration No. 201401037863 (1114009-H)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (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)

- 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company 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 auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To the Members of Aemulus Holdings Berhad (Cont'd)

Registration No. 201401037863 (1114009-H)
(Incorporated in Malaysia)

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Loo Wei Teng
No. 03487/03/2026 J
Chartered Accountant

Penang

Date: 6 January 2025

Statements of Financial Position

As At 30 September 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	40,543,582	42,011,086	-	-
Intangible assets	5	22,978	22,978	-	-
Development costs	6	16,404,995	15,794,608	-	-
Investment in a subsidiary	7	-	-	139,209,145	138,592,674
Investment in an associate	8	2,680,816	5,612,362	-	-
		59,652,371	63,441,034	139,209,145	138,592,674
Current assets					
Inventories	9	33,390,192	32,486,789	-	-
Trade and other receivables	10	47,517,114	46,780,810	15,534,970	1,000
Contract assets	11	2,090,689	812,476	-	-
Current tax assets		712,600	374,113	131,032	-
Other investment	12	1,002,663	-	1,002,663	-
Derivative financial assets	13	-	58,924	-	-
Cash and bank balances	14	22,893,563	36,859,352	74,076	17,046,119
		107,606,821	117,372,464	16,742,741	17,047,119
TOTAL ASSETS		167,259,192	180,813,498	155,951,886	155,639,793
EQUITY AND LIABILITIES					
Share capital	15	156,525,414	155,760,677	156,525,414	155,760,677
Reserves	16	(13,550,510)	(12,702,080)	308,806	584,874
Accumulated losses		(29,807,143)	(7,769,155)	(1,117,139)	(1,034,808)
Total equity		113,167,761	135,289,442	155,717,081	155,310,743
Non-current liabilities					
Borrowings	17	683,474	13,660,948	-	-
Deferred tax liabilities	18	-	530,000	-	-
		683,474	14,190,948	-	-

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position As At 30 September 2024 (Cont'd)

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Current liabilities					
Provision for warranty	19	326,289	165,606	-	-
Trade and other payables	20	9,258,931	7,408,296	234,805	243,091
Contract liabilities	21	466,158	737,296	-	-
Borrowings	17	43,356,579	23,021,910	-	-
Current tax liabilities		-	-	-	85,959
		53,407,957	31,333,108	234,805	329,050
Total liabilities		54,091,431	45,524,056	234,805	329,050
TOTAL EQUITY AND LIABILITIES		167,259,192	180,813,498	155,951,886	155,639,793

The accompanying notes form an integral part of these financial statements.

Statements of Comprehensive Income

For the Financial Year Ended 30 September 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	22	40,903,660	25,098,185	-	-
Cost of sales		(20,328,174)	(11,290,004)	-	-
Gross profit		20,575,486	13,808,181	-	-
Other income	23	1,087,334	148,556	107,430	58,600
Administrative expenses		(31,059,717)	(32,130,681)	(547,545)	(662,521)
Research and development expenses	24	(9,023,024)	(9,774,686)	-	-
Allowance for expected credit losses on trade receivables and contract assets		(1,351,521)	(11,894,228)	-	-
Impairment loss on goodwill on consolidation		-	(13,663,357)	-	-
Reversal of allowance for expected credit losses on amount due from an associate		1,351,521	-	-	-
Operating loss		(18,419,921)	(53,506,215)	(440,115)	(603,921)
Share of results of an associate, net of tax		(2,259,950)	15,390	-	-
Finance costs	25	(2,316,195)	(2,065,835)	-	-
Finance income	26	676,614	1,182,667	144,773	921,048
(Loss)/Profit before tax	27	(22,319,452)	(54,373,993)	(295,342)	317,127
Taxation	29	510,086	(281,941)	85,209	(217,534)
(Loss)/Profit for the financial year carried forward		(21,809,366)	(54,655,934)	(210,133)	99,593

The accompanying notes form an integral part of these financial statements.

Statements of Comprehensive Income

For the Financial Year Ended 30 September 2024 (Cont'd)

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit for the financial year brought forward		(21,809,366)	(54,655,934)	(210,133)	99,593
Other comprehensive (loss)/income, net of tax:					
Items that will be reclassified subsequently to profit or loss:					
Share of foreign currency translation reserve of an associate		(905,263)	-	-	-
Foreign currency translation differences for foreign operation		-	84,479	-	-
Realisation of foreign currency translation reserve upon liquidation of a foreign branch		(23,523)	-	-	-
Item that will not be reclassified subsequently to profit or loss:					
Net change in fair value of equity investment designated at fair value through other comprehensive income		-	(65,688)	-	-
Total other comprehensive (loss)/income for the financial year		(928,786)	18,791	-	-
Total comprehensive (loss)/income for the financial year, attributable to the owners of the Company		(22,738,152)	(54,637,143)	(210,133)	99,593
Loss per ordinary share attributable to the owners of the Company (sen)					
- Basic	30	(3.25)	(8.20)		
- Diluted	30	(3.25)	(8.18)		

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 September 2024

NOTE	Non-distributable							Total Equity RM
	Share Capital RM	Merger Deficit RM	RSP Reserve RM	Foreign Currency Translation Reserve RM	Fair Value Reserve RM	Accumulated Losses RM		
2024								
	155,760,677	(12,954,053)	584,874	23,523	(356,424)	(7,769,155)	135,289,442	
	-	-	-	(928,786)	356,424	(22,165,790)	(22,738,152)	
<i>Transactions with owners of the Company:</i>								
	764,737	-	(764,737)	-	-	-	-	
	-	-	616,471	-	-	-	616,471	
	-	-	(127,802)	-	-	127,802	-	
	764,737	-	(276,068)	-	-	127,802	616,471	
	156,525,414	(12,954,053)	308,806	(905,263)	-	(29,807,143)	113,167,761	

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 September 2024 (Cont'd)

	Non-distributable							Total Equity RM
	Share Capital RM	Merger Deficit RM	RSP Reserve RM	Foreign Currency Translation Reserve RM	Fair Value Reserve RM	Accumulated Losses RM		
2023								
Balance at beginning	154,715,836	(12,954,053)	708,768	(60,956)	(290,736)	46,886,779	189,005,638	
Total comprehensive loss for the financial year	-	-	-	84,479	(65,688)	(54,655,934)	(54,637,143)	
<i>Transactions with owners of the Company:</i>								
Issuance of ordinary shares pursuant to RSP exercised	1,044,841	-	(1,044,841)	-	-	-	-	
Recognition of equity-settled share-based payment	-	-	920,947	-	-	-	920,947	
Total transactions with owners of the Company	1,044,841	-	(123,894)	-	-	-	920,947	
Balance at end	155,760,677	(12,954,053)	584,874	23,523	(356,424)	(7,769,155)	135,289,442	

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the Financial Year Ended 30 September 2024

	NOTE	Share Capital RM	---Non-distributable--- RSP Reserve RM	Accumulated Losses RM	Total Equity RM
2024					
Balance at beginning		155,760,677	584,874	(1,034,808)	155,310,743
Total comprehensive loss for the financial year		-	-	(210,133)	(210,133)
<i>Transactions with owners of the Company:</i>					
Issuance of ordinary shares pursuant to RSP exercised	15	764,737	(764,737)	-	-
Recognition of equity-settled share-based payment	28	-	616,471	-	616,471
RSP lapsed		-	(127,802)	127,802	-
Total transactions with owners of the Company		764,737	(276,068)	127,802	616,471
Balance at end		156,525,414	308,806	(1,117,139)	155,717,081
2023					
Balance at beginning		154,715,836	708,768	(1,134,401)	154,290,203
Total comprehensive income for the financial year		-	-	99,593	99,593
<i>Transactions with owners of the Company:</i>					
Issuance of ordinary shares pursuant to RSP exercised	15	1,044,841	(1,044,841)	-	-
Recognition of equity-settled share-based payment	28	-	920,947	-	920,947
Total transactions with owners of the Company		1,044,841	(123,894)	-	920,947
Balance at end		155,760,677	584,874	(1,034,808)	155,310,743

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 30 September 2024

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(22,319,452)	(54,373,993)	(295,342)	317,127
Adjustments for:				
Accretion of interest on lease liability	-	1,162	-	-
Allowance for expected credit losses				
on trade receivables and contract assets	1,351,521	11,894,228	-	-
Amortisation of development costs	3,635,240	4,345,311	-	-
Depreciation of:				
- property, plant and equipment	2,923,914	3,109,817	-	-
- right-of-use asset	-	65,194	-	-
Development costs expensed off	1,754,801	-	-	-
Distribution income	(26,569)	-	(26,569)	-
Equity-settled share-based payment	616,471	920,947	-	-
Fair value gain on other investment	(79,684)	-	(79,684)	-
Fair value loss on derivative financial assets	58,924	83,669	-	-
Gain on disposal of property, plant and equipment	-	(56,501)	-	-
Impairment loss on goodwill on consolidation	-	13,663,357	-	-
Interest expense	2,316,195	2,064,673	-	-
Interest income	(676,614)	(1,182,667)	(144,773)	(921,048)
Inventories written down	584,586	500,000	-	-
Property, plant and equipment written off	32,356	-	-	-
Reversal of allowance for expected credit losses				
on amount due from an associate	(1,351,521)	-	-	-
Unearned interest income on amount due from an associate	(88,358)	-	-	-
Share of results of an associate, net of tax	2,259,950	(15,390)	-	-
Unrealised loss on foreign exchange	4,370,003	1,976,794	-	-
Operating loss before working capital changes	(4,638,237)	(17,003,399)	(546,368)	(603,921)
Changes in:				
Inventories	(1,487,989)	992,217	-	-
Receivables	3,781,763	75,295	-	-
Contract assets	(1,832,984)	7,735,186	-	-
Provision for warranty	160,683	(578,707)	-	-
Payables	2,884,428	(3,810,673)	(8,286)	(29,251)
Contract liabilities	(271,138)	251,869	-	-
An associate's balance	(7,256,933)	(1,267,936)	-	-
Cash used in operations	(8,660,407)	(13,606,148)	(554,654)	(633,172)
Income tax paid	(365,412)	(466,622)	(138,793)	(223,761)
Income tax refunded	7,011	360,000	7,011	-
Interest paid	(2,316,195)	(2,064,673)	-	-
Net cash used in operating activities	(11,335,003)	(15,777,443)	(686,436)	(856,933)

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 30 September 2024 (Cont'd)

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		676,614	1,182,667	144,773	921,048
Additions of development costs		(6,000,428)	(3,940,250)	-	-
Additions in investment in an associate		(878,667)	-	-	-
Additions in other investment		(896,410)	-	(896,410)	-
Net changes in deposits with licensed banks		3,364,600	20,655,022	3,132,210	21,414,607
Proceeds from disposal of property, plant and equipment		-	79,067	-	-
Purchase of property, plant and equipment		(1,488,432)	(898,273)	-	-
Net cash (used in)/from investing activities		(5,222,723)	17,078,233	2,380,573	22,335,655
CASH FLOWS FROM FINANCING ACTIVITIES					
Net changes in a subsidiary's balance		-	-	(15,533,970)	(30,562,118)
Net changes in an associate's balance		(485,854)	(182,050)	-	-
Net changes in bankers' acceptance	A	1,319,264	(6,910,758)	-	-
Net changes in revolving credit	A	2,678,220	7,017,028	-	-
Repayment of:					
- finance lease liabilities	A	(503,440)	(91,879)	-	-
- lease liabilities	A	-	(69,000)	-	-
- term loans	A	(1,493,521)	(1,573,574)	-	-
Net cash from/(used in) financing activities		1,514,669	(1,810,233)	(15,533,970)	(30,562,118)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(15,043,057)	(509,443)	(13,839,833)	(9,083,396)
Effects of foreign exchange rates changes		(1,019,301)	543,544	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		22,776,072	22,741,971	13,913,909	22,997,305
CASH AND CASH EQUIVALENTS AT END		6,713,714	22,776,072	74,076	13,913,909
The cash and cash equivalents are represented by:					
Deposits with licensed banks		15,384,870	31,267,545	-	16,768,398
Cash in hand and at banks		7,508,693	5,591,807	74,076	277,721
Bank overdrafts		(7,961,171)	(2,500,002)	-	-
		14,932,392	34,359,350	74,076	17,046,119
Less : Deposits pledged to licensed banks		(8,218,678)	(6,860,772)	-	-
Deposits with maturity more than three months		-	(4,722,506)	-	(3,132,210)
		6,713,714	22,776,072	74,076	13,913,909

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 30 September 2024 (Cont'd)

A. Reconciliation of liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Cash flows RM	Others ¹ RM	Balance at end RM
GROUP				
2024				
Borrowings excluding bank overdrafts, representing total liabilities arising from financing activities	34,182,856	2,000,523	(104,497)	36,078,882
2023				
Borrowings excluding bank overdrafts	35,740,279	(1,559,183)	1,760	34,182,856
Lease liability	67,838	(69,000)	1,162	-
Total liabilities arising from financing activities	35,808,117	(1,628,183)	2,922	34,182,856

¹ Others consist of non-cash movement as follows:

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	-	1,162
Unrealised (gain)/loss on foreign exchange	(104,497)	1,760
	(104,497)	2,922

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

30 September 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Suite 16.06, MWE Plaza, No. 8, Lebuhraya Farquhar, 10200 George Town, Pulau Pinang.

The principal place of business of the Company is located at No. 25, Jalan Sultan Azlan Shah, Zon Perindustrian Bayan Lepas Phase 1, 11900 Bayan Lepas, Pulau Pinang.

The principal activity of the Company is investment holding whilst the principal activities of the subsidiary are in the design and development of automated test equipment, test and measurement instruments and the provision of design consultancy and test-related services.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 January 2025.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standard and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for other investment that is measured at fair value.

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operation has different functional currency.

Notes to the Financial Statements

30 September 2024 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of Standard/Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following standard/amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

Initial application of the above standard/amendments to MFRSs did not have any material impact to the financial statements upon adoption, except for *Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*. The amendments change the requirements in *MFRS 101* with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in *MFRS 101* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Notes to the Financial Statements

30 September 2024 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (Cont'd)

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to the Financial Statements

30 September 2024 (Cont'd)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on the management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset only when all the criteria as set out in *MFRS138 Intangible assets* are met, whereas research costs are expensed as incurred. The Group's management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product under development is uncertain and may be subject to future technical problems after the time of recognition.

The carrying amount of the Group's development costs as at the end of the reporting period is disclosed in Note 6 to the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Provision for expected credit losses ("ECL") of receivables and contract assets**

The Group uses a provision matrix to calculate ECL for receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's receivables and contract assets is disclosed in Note 33.3.1 to the financial statements.

Notes to the Financial Statements

30 September 2024 (Cont'd)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below: (Cont'd)

(ii) **Inventories**

The management reviews for slow-moving and obsolete inventories. This review requires management to estimate the potentially excess and obsolete inventories after considering forecasted demand for the products as well as technical obsolescence. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 9 to the financial statements.

(iii) **Provision for warranty**

The Group provides warranty for manufacturing defects of its products sold. The Group's normal product warranty period is one year. The provision for product warranty is calculated at approximately 2.5% of the cost of products sold.

As the Group's products are constantly upgraded for technology developments, the level of manufacturing defects for the upgraded and/or new products may not necessarily reflect past trends and in such circumstances, the original basis used to calculate the amounts for product warranty claim may need to be revised when it is appropriate.

The carrying amount of the Group's provision for warranty as at the end of the reporting period is disclosed in Note 19 to the financial statements.

Notes to the Financial Statements

30 September 2024 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold land RM	Building RM	Office and testing equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
2024								
At cost								
Balance at beginning	10,357,150	18,775,310	25,411,745	735,316	1,445,611	426,275	940,487	58,091,894
Additions	-	-	1,372,181	976	115,275	-	-	1,488,432
Written offs	-	-	(48,501)	(819)	(89,415)	-	-	(138,735)
Reclassification	-	-	940,487	-	-	-	(940,487)	-
Exchange differences	-	-	464	-	855	-	-	1,319
Balance at end	10,357,150	18,775,310	27,676,376	735,473	1,472,326	426,275	-	59,442,910
Accumulated depreciation								
Balance at beginning	498,467	1,009,481	13,252,863	267,116	782,909	269,972	-	16,080,808
Current charge	173,721	310,081	2,291,075	73,237	33,173	42,627	-	2,923,914
Written offs	-	-	(42,500)	(537)	(63,342)	-	-	(106,379)
Exchange differences	-	-	401	-	584	-	-	985
Balance at end	672,188	1,319,562	15,501,839	339,816	753,324	312,599	-	18,899,328
Carrying amount	9,684,962	17,455,748	12,174,537	395,657	719,002	113,676	-	40,543,582

Notes to the Financial Statements 30 September 2024 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP	Leasehold land RM	Building RM	Office and testing equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
2023								
At cost								
Balance at beginning	10,357,150	18,775,310	24,635,670	720,207	1,410,068	426,275	940,487	57,265,167
Additions	-	-	847,436	15,109	35,728	-	-	898,273
Disposal	-	-	(71,260)	-	-	-	-	(71,260)
Exchange differences	-	-	(101)	-	(185)	-	-	(286)
Balance at end	10,357,150	18,775,310	25,411,745	735,316	1,445,611	426,275	940,487	58,091,894
Accumulated depreciation								
Balance at beginning	324,746	697,177	10,832,023	194,666	743,918	227,345	-	13,019,875
Current charge	173,721	312,304	2,469,616	72,450	39,099	42,627	-	3,109,817
Disposal	-	-	(48,694)	-	-	-	-	(48,694)
Exchange differences	-	-	(82)	-	(108)	-	-	(190)
Balance at end	498,467	1,009,481	13,252,863	267,116	782,909	269,972	-	16,080,808
Carrying amount	9,858,683	17,765,829	12,158,882	468,200	662,702	156,303	940,487	42,011,086

Notes to the Financial Statements

30 September 2024 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (i) The entire leasehold land and building are pledged to licensed banks as securities for banking facilities granted to a subsidiary as disclosed in Note 17 to the financial statements.
- (ii) The carrying amount of office and testing equipment of the Group which are pledged as securities for the finance lease liabilities as disclosed in Note 17 to the financial statements is **RM992,698** (2023: RM1,230,257).

Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Leasehold land	Amortise over the lease period of 60 years
Building	1.67%
Office and testing equipment	10% - 20%
Furniture and fittings	10%
Renovation	10%
Motor vehicles	10%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

5. INTANGIBLE ASSETS

	GROUP	
	2024	2023
	RM	RM
At cost:		
Trademark, patent and industry design	22,978	22,978

Notes to the Financial Statements

30 September 2024 (Cont'd)

6. DEVELOPMENT COSTS

	GROUP	
	2024	2023
	RM	RM
At cost		
Balance at beginning	22,794,056	18,853,806
Additions:		
- staff costs	6,000,020	3,903,900
- other direct attributable costs	408	36,350
Expensed off	(3,614,972)	-
Balance at end	25,179,512	22,794,056
Accumulated amortisation		
Balance at beginning	6,999,448	2,654,137
Current charge	3,635,240	4,345,311
Expensed off	(1,860,171)	-
Balance at end	8,774,517	6,999,448
Carrying amount	16,404,995	15,794,608

The amortisation of development costs is included in the "research and development expenses" line item in the statements of comprehensive income.

Material accounting policy information

Expenditures incurred on projects to develop new products are capitalised as development costs when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditures during the development. Development costs which do not meet these criteria are recognised in profit or loss as incurred.

Capitalised development costs which comprise direct attributable costs incurred for development are considered to have finite useful lives and are stated at cost less accumulated amortisation and any accumulated impairment losses. Capitalised development costs are amortised using the straight-line basis over the commercial lives of the underlying products from the commencement of the commercialisation of the products, typically over 3 to 5 years period.

Notes to the Financial Statements

30 September 2024 (Cont'd)

7. INVESTMENT IN A SUBSIDIARY

	COMPANY	
	2024 RM	2023 RM
Unquoted shares, at cost	135,105,998	135,105,998
Shares awarded under restricted share plan granted to employees of a subsidiary	4,103,147	3,486,676
	139,209,145	138,592,674

The details of the subsidiary which was incorporated and principal place of business in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2024 %	2023 %	
Aemulus Corporation Sdn. Bhd. ("ACSB")	100	100	Design and development of automated test equipment, test and measurement instruments and the provision of design consultancy and test-related services.

During the financial year, ACSB has ceased the operation of its branch office in Taiwan which was principally involved in the marketing and sale of automated test equipment and test and measurement instruments.

Subscription of ordinary shares in a subsidiary

2023

On 20 September 2023, the Company had subscribed additional 50,000,000 ordinary shares in ACSB way of converting amount due from ACSB of RM100,000,000. No changes in equity interest subsequent to the subscription of ordinary shares.

Material accounting policy information

Investment in a subsidiary is measured at cost less any impairment losses in the Company's separate financial statements.

Notes to the Financial Statements

30 September 2024 (Cont'd)

8. INVESTMENT IN AN ASSOCIATE

	GROUP	
	2024 RM	2023 RM
Unquoted shares, at cost	10,751,192	9,872,525
Share of post-acquisition reserves	(3,293,754)	(128,541)
Elimination of unrealised profits arising from transactions with an associate	(4,776,622)	(4,131,622)
	2,680,816	5,612,362

The details of the associate, which was incorporated and principal place of business in The People's Republic of China, are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2024 %	2023 %	
# Tangming Shengshi Technology (Jiashan) Co., Ltd. ("TMSS")	40	40	Research and development of semiconductor automated test equipment and related software, with focus on radio-frequency front-end, analogue, digital, mixed signal and power discrete semiconductor test market.

Audited by member firm of Grant Thornton International Limited.

2024

On 2 February 2024, the wholly-owned subsidiary of the Company, ACSB, has subscribed additional 1,333,700 ordinary shares in TMSS for a total cash consideration of RM878,667. No changes in equity interest subsequent to the subscription of ordinary shares.

The financial year of TMSS is 31 December. For the purpose of applying the equity method of accounting, appropriate adjustments have been made for the effects of significant transactions between that date and 30 September 2024.

Notes to the Financial Statements

30 September 2024 (Cont'd)

8. INVESTMENT IN AN ASSOCIATE (CONT'D)

The following table summarises the financial information of TMSS, adjusted for entries to facilitate the equity method by the Group and reconciled the information to the carrying amount of the Group's interest in the associate, which is accounted for using the equity method.

	TMSS	
	2024	2023
	RM	RM
As at 30 September		
Assets and liabilities		
Non-current assets	3,477,655	4,277,475
Current assets	65,185,117	68,943,231
Current liabilities	(50,019,177)	(48,860,746)
Net assets	<u>18,643,595</u>	<u>24,359,960</u>
Reconciliation of net assets to carrying amount		
Group's share of net assets	7,457,438	9,743,984
Elimination of unrealised profits arising from transactions with an associate	(4,776,622)	(4,131,622)
Carrying amount in the statements of financial position	<u>2,680,816</u>	<u>5,612,362</u>
Financial year ended 30 September		
Results		
Revenue	9,429,154	20,305,875
Net (loss)/profit for the financial year, representing total comprehensive (loss) /income for the financial year	(5,649,875)	38,475
Group's share of total comprehensive (loss)/income	<u>(2,259,950)</u>	<u>15,390</u>

Contingent liabilities and capital commitments

The associate has no contingent liabilities or capital commitments as at the end of the reporting period.

Material accounting policy information

The Group's investment in an associate is accounted for using the equity method.

Notes to the Financial Statements

30 September 2024 (Cont'd)

9. INVENTORIES

	GROUP	
	2024 RM	2023 RM
At cost:		
Raw materials	15,369,470	21,249,940
Work-in-progress	5,617,350	1,254,843
Finished goods	12,403,372	9,982,006
	33,390,192	32,486,789
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	19,098,588	10,402,087
Inventories written down	584,586	500,000

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the first-in, first-out basis.

10. TRADE AND OTHER RECEIVABLES

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables	10.1				
Third parties		7,969,421	16,478,734	-	-
Less: Allowance for ECL					
Balance at beginning		(5,200,461)	(2,438,084)	-	-
Current year		(796,750)	(3,151,228)	-	-
Written off		5,634,658	388,851	-	-
Balance at end		(362,553)	(5,200,461)	-	-
		7,606,868	11,278,273	-	-
Amount due from an associate	10.2	38,455,947	34,145,520	-	-
		46,062,815	45,423,793	-	-
Other receivables					
Sundry receivables		104,930	6,293	-	-
Amount due from a subsidiary	10.3	-	-	15,533,970	-
Refundable deposits		170,158	185,101	1,000	1,000
Prepayments		1,179,211	1,165,623	-	-
		1,454,299	1,357,017	15,534,970	1,000
Total trade and other receivables		47,517,114	46,780,810	15,534,970	1,000

Notes to the Financial Statements

30 September 2024 (Cont'd)

10. TRADE AND OTHER RECEIVABLES (CONT'D)

10.1 Trade receivables

The normal credit terms granted to trade receivables range from **30 to 120 days** (2023 : 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

10.2 Amount due from an associate

The amount due from an associate is trade related, unsecured, non-interest bearing and the credit terms granted range from **30 to 365 days** (2023: 30 to 365 days).

	GROUP	
	2024	2023
	RM	RM
Finance lease arrangement	-	2,231,246
Outright sales	45,604,426	40,414,274
Less: Allowance for ECL		
Balance at beginning	8,500,000	-
Addition	-	(8,500,000)
Reversal	(1,351,521)	-
Balance at end	(7,148,479)	(8,500,000)
	38,455,947	34,145,520

The amount due from an associate can be analysed as:

	GROUP	
	2024	2023
	RM	RM
Total amount receivable	38,455,947	34,233,878
Unearned interest income	-	(88,358)
	38,455,947	34,145,520

The repayment schedule of the present value of amount due from an associate under finance lease arrangement was within one year.

Notes to the Financial Statements

30 September 2024 (Cont'd)

10. TRADE AND OTHER RECEIVABLES (CONT'D)

10.3 Amount due from a subsidiary

The amount due from a subsidiary is unsecured, non-interest bearing and classified based on the expected timing of realisation.

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
RM	4,318,278	4,596,338	15,534,970	1,000
United States Dollar ("USD")	4,742,889	8,024,010	-	-
Chinese Renminbi ("CNY")	38,455,947	34,145,520	-	-
New Taiwan Dollar ("TWD")	-	14,942	-	-
	47,517,114	46,780,810	15,534,970	1,000

11. CONTRACT ASSETS

	GROUP	
	2024 RM	2023 RM
Balance at beginning	1,055,476	8,790,662
Increase as a result of revenue recognised during the financial year	6,103,329	197,795
Decrease as a result of billings issued during the financial year	(4,453,436)	(7,932,981)
	2,705,369	1,055,476
Less: Allowance for ECL		
Balance at beginning	(243,000)	-
Current year	(554,771)	(243,000)
Written off	183,091	-
Balance at end	(614,680)	(243,000)
Balance at end	2,090,689	812,476

Contract assets relate to the Group's rights to consideration for goods delivered and work completed on service contracts but not yet billed at the end of the reporting period.

Included in the contract assets is an amount of **RM56,888** (2023: RM36,474) due from an associate.

Notes to the Financial Statements

30 September 2024 (Cont'd)

12. OTHER INVESTMENT

	GROUP AND COMPANY	
	2024	2023
	RM	RM
Financial assets at fair value through profit or loss ("FVTPL")		
Short term fund with a licensed financial institution	1,002,663	-

13. DERIVATIVE FINANCIAL ASSETS

	GROUP	
	2024	2023
Foreign currency forward contracts:		
- Nominal value (CNY)	-	2,400,000
- Assets (RM)	-	58,924

The Group enters into foreign currency forward contracts to manage its exposure arising from a subsidiary's trade receivables denominated in Chinese Renminbi. The foreign currency forward contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

14. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM	RM	RM	RM
Deposits with licensed banks	15,384,870	31,267,545	-	16,768,398
Cash in hand and at banks	7,508,693	5,591,807	74,076	277,721
	22,893,563	36,859,352	74,076	17,046,119

Included in the Group's deposits with licensed banks is an amount of **RM8,218,678** (2023: RM6,860,772) which is pledged to licensed banks as securities for banking facilities granted to a subsidiary as disclosed in Note 17 to the financial statements.

The effective interest rates per annum and maturities of the deposits with licensed banks of the Group and of the Company as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
Effective interest rates per annum (%)	2.25 to 2.90	1.30 to 3.80	-	2.05 to 3.80
Maturities (months)	1 to 12	1 to 12	-	1 to 12

Notes to the Financial Statements

30 September 2024 (Cont'd)

14. CASH AND BANK BALANCES (CONT'D)

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
RM	15,943,348	33,802,659	74,076	17,046,119
USD	3,720,382	2,356,338	-	-
CNY	3,229,536	688,765	-	-
TWD	171	11,456	-	-
Singapore Dollar ("SGD")	126	134	-	-
	22,893,563	36,859,352	74,076	17,046,119

15. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
Issued and fully paid with no par value:				
Balance at beginning	669,384,347	668,030,747	155,760,677	154,715,836
Issuance of ordinary shares pursuant to RSP vested	1,954,400	1,353,600	764,737	1,044,841
Balance at end	671,338,747	669,384,347	156,525,414	155,760,677

2024

During the financial year, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of:

- (i) 690,300 new ordinary shares pursuant to RSP - IX. The related fair value of the RSP amounting to RM279,019 was transferred from the RSP reserve to share capital upon vesting of RSP;
- (ii) 25,300 new ordinary shares pursuant to RSP - X. The related fair value of the RSP amounting to RM10,069 was transferred from the RSP reserve to share capital upon vesting of RSP;
- (iii) 1,208,800 new ordinary shares pursuant to RSP - XI. The related fair value of the RSP amounting to RM465,509 was transferred from the RSP reserve to share capital upon vesting of RSP; and
- (iv) 30,000 new ordinary shares pursuant to RSP - XII. The related fair value of the RSP amounting to RM10,140 was transferred from the RSP reserve to share capital upon vesting of RSP.

Notes to the Financial Statements

30 September 2024 (Cont'd)

15. SHARE CAPITAL (CONT'D)

2023

In the previous financial year, the Company had increased its issued and fully paid-up ordinary share capital by way of issuance of:

- (i) 459,000 new ordinary shares pursuant to RSP - VII. The related fair value of the RSP amounting to RM503,340 was transferred from the RSP reserve to share capital upon vesting of RSP; and
- (ii) 894,600 new ordinary shares pursuant to RSP - VIII. The related fair value of the RSP amounting to RM541,501 was transferred from the RSP reserve to share capital upon vesting of RSP.

16. RESERVES

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable					
Merger deficit	16.1	(12,954,053)	(12,954,053)	-	-
RSP reserve	16.2	308,806	584,874	308,806	584,874
Foreign currency translation reserve	16.3	(905,263)	23,523	-	-
Fair value reserve	16.4	-	(356,424)	-	-
		(13,550,510)	(12,702,080)	308,806	584,874

16.1 Merger deficit

The merger deficit is in respect of the difference between the cost of merger and the nominal value of shares acquired in ACSB.

16.2 RSP reserve

RSP reserve represents the equity-settled shares grants awarded to the employees of a subsidiary and the Company's executive directors by the Company. The reserve is made up of the cumulative value of services received from the employees recorded over the vesting period commencing from the grant date of equity-settled share grants, and is reduced once vested or forfeited or lapsed of share grants.

Notes to the Financial Statements

30 September 2024 (Cont'd)

16. RESERVES (CONT'D)

16.3 Foreign currency translation reserve

The foreign currency translation reserve is in respect of foreign exchange differences arising from the translation of the financial statements of the subsidiary's foreign branch and a foreign associate whose functional currencies are different from that of the Group's presentation currency.

16.4 Fair value reserve

The fair value reserve represents the cumulative net change in the fair value of financial assets through other comprehensive income until the financial assets are derecognised.

17. BORROWINGS

	GROUP	
	2024	2023
	RM	RM
Non-current liabilities		
Secured:		
<u>Finance lease liabilities</u>		
Minimum payments:		
Within one year	592,766	592,766
More than one year and less than two years	464,907	592,766
More than two years and less than five years	116,150	590,730
	1,173,823	1,776,262
Future finance charges	(85,190)	(184,189)
	1,088,633	1,592,073
Amount due within one year included under current liabilities	(526,914)	(1,451,852)
	561,719	140,221
<u>Term loans</u>		
Total amount repayable	13,610,780	15,104,301
Amount due within one year included under current liabilities	(13,489,025)	(1,583,574)
	121,755	13,520,727
	683,474	13,660,948

Notes to the Financial Statements

30 September 2024 (Cont'd)

17. BORROWINGS (CONT'D)

	GROUP	
	2024	2023
	RM	RM
Current liabilities		
Secured:		
Bank overdrafts	7,961,171	2,500,002
Bankers' acceptance	2,185,145	970,378
Revolving credit	19,194,324	16,516,104
Finance lease liabilities	526,914	1,451,852
Term loans	13,489,025	1,583,574
	<u>43,356,579</u>	<u>23,021,910</u>
Total borrowings	<u>44,040,053</u>	<u>36,682,858</u>

2024

During the financial year, a subsidiary has breached a covenant of a bank loan. The subsidiary did not fulfill the requirement to maintain debt service coverage ratio. The term loan was presented as current liability as at the end of the reporting period. The bank is contractually entitled to request for immediate repayment of the outstanding loan amount in the event of breach of covenant.

Subsequent to the year end, the bank has agreed to grant an indulgence for non-compliance of maintaining debt service coverage ratio as mentioned above.

2023

In the previous financial year, the Group had not complied with a loan covenant, i.e. the Group did not fulfill the requirement to maintain Debt Service Coverage Ratio above 2.5 times. The relevant borrowings had been presented as current liabilities at the end of the reporting period as the bank is contractually entitled to request immediate repayment of the outstanding loan amount in the event of a non-compliance of a loan covenant and the Group fails to place a deposit equivalent to three months installment payment into a Debt Service Reserve Account ("Reserve Account"). The borrowings affected are finance lease liabilities and a sum of RM950,509 was reclassified from non-current liabilities to current liabilities.

Subsequent to the financial year, the Group had placed the sum equivalent to three months payment into the Reserve Account to comply with the requirement of the said financial institution and no further action was required as at the date of the financial statements were authorised for issue.

The borrowings are secured by way of:

- (i) Legal charge over the leasehold land and building as disclosed in Note 4 to the financial statements;
- (ii) Pledge of fixed deposits of the subsidiary as disclosed in Note 14 to the financial statements;
- (iii) Corporate guarantee of the Company;
- (iv) Guarantee from government of Malaysia through Syarikat Jaminan Pembiayaan Perniagaan; and
- (v) Lease assets as disclosed in Note 4 to the financial statements.

Notes to the Financial Statements

30 September 2024 (Cont'd)

17. BORROWINGS (CONT'D)

A summary of the effective interest rates per annum and the maturities of the borrowings is as follows:

	Effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
GROUP					
2024					
Bank overdrafts	6.82 - 7.74	7,961,171	7,961,171	-	-
Bankers' acceptance	4.85 - 6.50	2,185,145	2,185,145	-	-
Finance lease liabilities	11.35 - 12.54	1,088,633	526,914	448,718	113,001
Revolving credit	5.00 - 5.82	19,194,324	19,194,324	-	-
Term loans	3.50 - 4.35	13,610,780	13,489,025	121,755	-
2023					
Bank overdrafts	6.82 - 7.74	2,500,002	2,500,002	-	-
Bankers' acceptance	5.08 - 5.17	970,378	970,378	-	-
Finance lease liabilities	11.35 - 12.54	1,592,073	1,451,852	71,209	69,012
Revolving credit	4.26 - 5.28	16,516,104	16,516,104	-	-
Term loans	3.50 - 4.35	15,104,301	1,583,574	1,590,800	11,929,927

The currency profile of borrowings is as follows:

	GROUP	
	2024 RM	2023 RM
RM	42,372,914	36,682,858
USD	1,667,139	-
	44,040,053	36,682,858

18. DEFERRED TAX LIABILITIES

	GROUP	
	2024 RM	2023 RM
Balance at beginning	530,000	530,000
Over provision in prior year	(530,000)	-
Balance at end	-	530,000

Notes to the Financial Statements

30 September 2024 (Cont'd)

18. DEFERRED TAX LIABILITIES (CONT'D)

The deferred tax liabilities as at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	2024 RM	2023 RM
Property, plant and equipment	-	1,856,298
Provisions	-	(1,326,298)
	-	530,000

19. PROVISION FOR WARRANTY

	GROUP	
	2024 RM	2023 RM
Balance at beginning	165,606	744,313
Additions	362,040	201,357
Reversal	(201,357)	(780,064)
Balance at end	326,289	165,606

The provision for warranty is in respect of warranty granted on products sold. The provision is calculated based on approximately 2.5% of the cost of products sold.

20. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	5,091,890	1,218,924	-	-
Other payables				
Sundry payables	840,765	703,379	36,107	12,658
Amount due to an associate	153,273	775,312	-	-
Accruals	3,126,203	4,703,881	198,698	230,433
Retention sum payable	6,800	6,800	-	-
Deposit received	40,000	-	-	-
	4,167,041	6,189,372	234,805	243,091
Total trade and other payables	9,258,931	7,408,296	234,805	243,091

Notes to the Financial Statements

30 September 2024 (Cont'd)

20. TRADE AND OTHER PAYABLES (CONT'D)

The trade payables are non-interest bearing and are normally settled within **30 to 90 days** (2023: 30 to 90 days) credit terms.

The amount due to an associate is unsecured, non-interest bearing and repayable on demand.

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
RM	5,339,573	5,548,015	234,805	243,091
USD	3,072,063	428,134	-	-
CNY	794,692	1,398,873	-	-
TWD	21,058	33,274	-	-
Great British Pound ("GBP")	31,545	-	-	-
	9,258,931	7,408,296	234,805	243,091

21. CONTRACT LIABILITIES

	GROUP	
	2024 RM	2023 RM
Balance at beginning	737,296	480,758
Decrease as a result of revenue recognised during the financial year	(5,215,721)	(3,720,390)
Increase as a result of deposits received during the financial year	4,944,583	3,976,928
Balance at end	466,158	737,296

Contract liabilities comprise deposits received from the customers in advance for sales orders before commencing production activity or rendering maintenance services. The deposits will be reversed and recognised as revenue upon satisfying the performance obligation.

All deposits received are expected to be recognised as revenue within one year from the date of receipt.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially unsatisfied) to be fulfilled within one year as at the end of the reporting period is **RM466,158** (2023: RM737,296).

Notes to the Financial Statements

30 September 2024 (Cont'd)

22. REVENUE

22.1 Disaggregation revenue information

	GROUP	
	2024 RM	2023 RM
Types of goods or services		
Outright sales	33,648,818	19,623,349
Rendering of services	7,254,842	5,474,836
Total revenue from contracts with customers	40,903,660	25,098,185
Timing of revenue recognition		
At a point in time	33,648,818	19,623,349
Over time	7,254,842	5,474,836
Total revenue from contracts with customers	40,903,660	25,098,185

Revenue information based on geographical location of customers are disclosed in Note 31 to the financial statements.

22.2 Contract balances

	GROUP	
	2024 RM	2023 RM
Trade receivables (Note 10)	46,062,815	45,423,793
Contract assets (Note 11)	2,090,689	812,476
Contract liabilities (Note 21)	466,158	737,296

22.3 Performance obligations

The performance obligations to recognise revenue are as follows:

(i) **Outright sales**

Revenue from outright sales is recognised at a point in time when control of the completed goods have been transferred to the customer, generally on the delivery of the goods.

(ii) **Rendering of services**

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed.

Notes to the Financial Statements

30 September 2024 (Cont'd)

23. OTHER INCOME

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Distribution income	26,569	-	26,569	-
Fair value gain on other investment	79,684	-	79,684	-
Gain on disposal of property, plant and equipment	-	56,501	-	-
Government grant received	204,236	33,455	-	-
Realised gain on foreign exchange	495,856	-	-	-
Scrap sales	165,077	-	-	-
Unearned interest income on amount due from an associate	88,358	-	-	-
Others	27,554	58,600	1,177	58,600
	1,087,334	148,556	107,430	58,600

24. RESEARCH AND DEVELOPMENT EXPENSES

Included in the research and development expenses of the Group is employee benefits expenses amounting to **RM3,301,054** (2023: RM5,344,260) as disclosed in Note 28 to the financial statements.

25. FINANCE COSTS

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	-	1,162
Interest expenses on:		
- Bank overdrafts	393,461	309,409
- Bankers' acceptance	53,145	98,328
- Finance lease liabilities	97,254	118,166
- Revolving credit	1,051,951	890,638
- Term loans	720,384	648,132
	2,316,195	2,065,835

26. FINANCE INCOME

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income from licensed financial institutions	676,614	1,182,667	144,773	921,048

Notes to the Financial Statements

30 September 2024 (Cont'd)

27. LOSS/(PROFIT) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Amortisation of development costs	3,635,240	4,345,311	-	-
Auditors' remuneration:				
- Statutory audit:				
- Grant Thornton Malaysia PLT ("GTM PLT")	89,000	89,000	34,000	34,000
-Assurance related and non-audit services:				
- GTM PLT	13,000	13,000	13,000	13,000
- Affiliate of GTM PLT	12,500	10,000	2,500	2,000
Depreciation of:				
- property, plant and equipment	2,923,914	3,109,817	-	-
- right-of-use asset	-	65,194	-	-
Development costs expensed off	1,754,801	-	-	-
Employee benefits expense (Note 28)	15,922,144	18,555,043	254,032	282,380
Fair value loss on derivatives financial assets	58,924	83,669	-	-
Inventories written down	584,586	500,000	-	-
Property, plant and equipment written off	32,356	-	-	-
Realised loss on foreign exchange	-	65,924	-	-
Unrealised loss on foreign exchange	4,370,003	1,976,794	-	-

28. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	220,032	250,380	220,032	250,380
Salaries, allowances and bonus	21,565,274	24,038,008	34,000	32,000
Defined contribution plan ("EPF")	2,601,433	2,323,257	-	-
Social security contribution ("SOCSSO") and employment insurance scheme ("EIS")	220,008	270,611	-	-
Equity-settled share-based payment	616,471	920,947	-	-
	25,223,218	27,803,203	254,032	282,380
Less: Charge to research and development expenses	(3,301,054)	(5,344,260)	-	-
Capitalised in development costs	(6,000,020)	(3,903,900)	-	-
	15,922,144	18,555,043	254,032	282,380

Notes to the Financial Statements

30 September 2024 (Cont'd)

28. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in the employee benefits expense are directors' remuneration as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors of the Company:				
- Salaries, allowances and bonus	616,616	616,616	-	-
- EPF	73,996	73,996	-	-
- SOCSO	1,040	1,040	-	-
- EIS	119	119	-	-
	691,771	691,771	-	-
Non-executive directors of the Company:				
- Fees	220,032	250,380	220,032	250,380
- Allowances	34,000	32,000	34,000	32,000
	254,032	282,380	254,032	282,380
Executive directors of the subsidiary:				
- Salaries, allowances and bonus	452,007	455,432	-	-
- EPF	54,251	54,661	-	-
- SOCSO	1,040	1,040	-	-
- EIS	119	119	-	-
	507,417	511,252	-	-
Total directors' remuneration	1,453,220	1,485,403	254,032	282,380

The directors' remuneration can be further analysed as:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Present directors:				
- Executive	1,199,188	1,203,023	-	-
- Non-executive	194,032	282,380	194,032	282,380
	1,393,220	1,485,403	194,032	282,380
Past directors:				
- Non-executive	60,000	-	60,000	-
	1,453,220	1,485,403	254,032	282,380

Notes to the Financial Statements

30 September 2024 (Cont'd)

29. TAXATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Based on results for the financial year:				
- Current income tax:				
- Malaysian income tax	(167,886)	(283,815)	-	(221,052)
- Foreign income tax	-	(17,762)	-	-
	(167,886)	(301,577)	-	(221,052)
Over provision in prior year				
- Current tax	147,972	19,636	85,209	3,518
- Deferred tax	530,000	-	-	-
	677,972	19,636	85,209	3,518
	510,086	(281,941)	85,209	(217,534)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before tax	(22,319,452)	(54,373,993)	(295,342)	317,127
Less: Share of results of an associate	2,259,950	(15,390)	-	-
	(20,059,502)	(54,389,383)	(295,342)	317,127
Income tax at Malaysian statutory tax rate of 24%	4,814,280	13,053,452	70,882	(76,110)
Different tax rate in other jurisdiction	-	(2,407)	-	-
Expenses not deductible for tax purposes	(2,586,274)	(5,278,901)	(96,383)	(159,006)
Income not subject to tax	80,206	35,653	25,501	14,064
Deferred tax assets not recognised	(2,476,098)	(8,109,374)	-	-
	(167,886)	(301,577)	-	(221,052)
Over provision in prior year	677,972	19,636	85,209	3,518
	510,086	(281,941)	85,209	(217,534)

Notes to the Financial Statements

30 September 2024 (Cont'd)

29. TAXATION (CONT'D)

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's deferred tax position is as follows:

	GROUP	
	2024 RM	2023 RM
Deferred tax recognised:		
Property, plant and equipment	8,556,951	8,202,967
Development costs	16,404,995	15,794,608
Unused tax losses	(24,961,946)	(17,015,056)
Unabsorbed capital allowances	-	(1,528,718)
Other deductible temporary differences	-	(5,453,801)
	-	-
Deferred tax assets not recognised:		
Unused tax losses	(4,340,445)	-
Unabsorbed capital allowances	(3,039,887)	-
Other deductible temporary differences	(15,763,815)	(12,827,072)
	(23,144,147)	(12,827,072)

The gross amount and future availability of unused tax losses and unabsorbed capital allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP	
	2024 RM	2023 RM
Unused tax losses	29,302,391	17,015,056
Unabsorbed capital allowances	3,039,887	1,528,718

The unused tax losses can be carried forward for ten consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred. However, the unabsorbed capital allowances can be carried forward indefinitely.

The unused tax losses will be disregarded in the following YAs:

	GROUP	
	2024 RM	2023 RM
YA 2034	17,015,056	17,015,056
YA 2035	12,287,335	-
	29,302,391	17,015,056

Notes to the Financial Statements

30 September 2024 (Cont'd)

30. LOSS PER SHARE

30.1 Basic loss per share

Basic loss per share of the Group is calculated by dividing the loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2024	2023
Loss attributable to owners of the Company (RM)	(21,809,366)	(54,655,934)
Weighted average number of ordinary shares in issue	670,422,668	666,768,808
Basic loss per share (sen)	(3.25)	(8.20)

30.2 Diluted loss per share

The diluted loss per share of the Group is calculated by dividing the loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year adjusted to assume conversion of all dilutive potential ordinary shares arising from shares granted to employees as follows:

	GROUP	
	2024	2023
Loss for the financial year (RM)	(21,809,366)	(54,655,934)
Weighted average number of ordinary shares in issue	670,422,668	666,768,808
Adjustment for dilutive effect of RSP	1,419,200	2,122,400
	671,841,868	668,891,208
Diluted loss per share (sen)	(3.25)	(8.18)

31. SEGMENTAL INFORMATION

Business segments

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

The Group has only one reportable business segment of manufacturing automated test equipment which involved design and development of automated test equipment, test and measurement instruments, and the provision of design consultancy and test-related services. Accordingly, no business segmental information is presented.

Notes to the Financial Statements

30 September 2024 (Cont'd)

31. SEGMENTAL INFORMATION (CONT'D)

Geographical Information

Revenue and non-current assets information based on the geographical location of customers and non-current assets respectively are as follows:

	Revenue		Non-current assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	9,918,029	8,732,363	56,971,555	57,794,079
China	17,357,866	7,253,425	2,680,816	5,612,362
Singapore	3,641,377	4,228,853	-	-
Vietnam	3,618,154	1,048,284	-	-
Korea	3,431,957	1,285,526	-	-
United States of America	1,634,359	1,295,724	-	-
Taiwan	41,742	53,418	-	34,593
Others	1,260,176	1,200,592	-	-
	40,903,660	25,098,185	59,652,371	63,441,034

Information about major customers

The following are major customers from the Group's manufacturing segment which individually contributed to more than 10% of the Group's total revenue:

	2024 RM	2023 RM
Customer A	17,296,646	6,992,257
Customer B	4,106,043	-
Customer C	-	3,556,391
Customer D	-	4,108,748
	21,402,689	14,657,396

32. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group and the Company have related party relationship with its subsidiary, an associate and key management personnel.

Notes to the Financial Statements

30 September 2024 (Cont'd)

32. RELATED PARTY DISCLOSURES (CONT'D)

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Transactions with an associate:				
- Sales of goods	15,232,986	6,992,242	-	-
- Application support income	467,995	174,756	-	-
- Intellectual properties cost charged	-	(462,445)	-	-
Transactions with a subsidiary:				
- Advance to	-	-	(15,534,000)	(31,265,000)
- Repayment from	-	-	-	660,959
- Payment on behalf by	-	-	-	41,923

(iii) Compensation to key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The remuneration of the directors and other members of key management during the financial year is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	220,032	250,380	220,032	250,380
Salaries, allowances and bonus	3,361,881	4,163,981	34,000	32,000
EPF	369,726	438,855	-	-
SOCSSO	7,530	38,313	-	-
EIS	832	951	-	-
	3,960,001	4,892,480	254,032	282,380
Analysed as:				
- Directors of the Company	1,453,220	1,485,403	254,032	282,380
- Other key management personnel	2,506,781	3,407,077	-	-
	3,960,001	4,892,480	254,032	282,380

Notes to the Financial Statements

30 September 2024 (Cont'd)

32. RELATED PARTY DISCLOSURES (CONT'D)

(iii) Compensation to key management personnel (Cont'd)

The directors and other members of key management have been granted with the following number of RSP:

	GROUP AND COMPANY	
	Number of RSP	
	2024	2023
Balance at beginning	36,800	-
Granted	805,300	36,800
Vested	(36,800)	-
Balance at end	805,300	36,800

The RSP were granted on the same terms and conditions as those offered to other employees of the Group, as disclosed in Note 35 to the financial statements.

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and FVTPL.

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2024			
Financial assets			
Trade and other receivables, excluding prepayments	46,337,903	46,337,903	-
Other investment	1,002,663	-	1,002,663
Cash and bank balances	22,893,563	22,893,563	-
	70,234,129	69,231,466	1,002,663

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and FVTPL. (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2024			
Financial liabilities			
Borrowings	44,040,053	44,040,053	-
Trade and other payables, excluding non-refundable deposit received	9,218,931	9,218,931	-
	53,258,984	53,258,984	-
2023			
Financial assets			
Trade and other receivables, excluding prepayments	45,615,187	45,615,187	-
Derivative financial assets	58,924	-	58,924
Cash and bank balances	36,859,352	36,859,352	-
	82,533,463	82,474,539	58,924
Financial liabilities			
Borrowings	36,682,858	36,682,858	-
Trade and other payables	7,408,296	7,408,296	-
	44,091,154	44,091,154	-
COMPANY			
2024			
Financial assets			
Trade and other receivables	15,534,970	15,534,970	-
Other investments	1,002,663	-	1,002,663
Cash and bank balances	74,076	74,076	-
	16,611,709	15,609,046	1,002,663

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and FVTPL. (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
COMPANY			
2024			
Financial liability			
Trade and other payables	234,805	234,805	-
<hr/>			
2023			
Financial assets			
Trade and other receivables	1,000	1,000	-
Cash and bank balances	17,046,119	17,046,119	-
	<hr/>	<hr/>	<hr/>
	17,047,119	17,047,119	-
<hr/>			
Financial liability			
Trade and other payables	243,091	243,091	-
<hr/>			

33.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative activities.

33.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables and contract assets whilst the Company's exposure to credit risk arises principally from its advances to a subsidiary and financial guarantees provided to financial institutions in respect of credit facilities granted to a subsidiary.

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3.1 Trade receivables and contract assets

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group gives its customers credit terms that range between **30 to 365 days** (2023: 30 to 365 days).

In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group will subject new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts as disclosed in Note 10 and Note 11 to the financial statements respectively.

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	ECL rates %	Gross RM	Allowance for ECL RM	Net RM
GROUP				
2024				
Not past due	0.74	8,300,680	(51,856)	8,248,824
1 to 90 days past due	2.21	7,400,375	(46,690)	7,353,685
91 to 180 days past due	2.79	3,682,583	(17,426)	3,665,157
181 to 270 days past due	6.95	3,516,802	(7,439)	3,509,363
271 to 365 days past due	13.12	1,490,916	(18,924)	1,471,992
Past due more than 365 days	24.24	22,034,012	(220,218)	21,813,794
		38,124,688	(310,697)	37,813,991
Individually impaired		7,148,479	(7,148,479)	-
		53,573,847	(7,511,032)	46,062,815

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3.1 Trade receivables and contract assets (Cont'd)

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows: (Cont'd)

	ECL rates %	Gross RM	Allowance for ECL RM	Net RM
2023				
Not past due	0.14	6,445,075	(7,813)	6,437,262
1 to 90 days past due	0.42	8,519,496	(10,739)	8,508,757
91 to 180 days past due	0.82	5,858,260	(1,254)	5,857,006
181 to 270 days past due	2.01	10,293,760	(7,439)	10,286,321
271 to 365 days past due	4.57	5,088,227	(17,169)	5,071,058
Past due more than 365 days	13.70	9,389,534	(126,145)	9,263,389
		39,149,277	(162,746)	38,986,531
Individually impaired		13,529,902	(13,529,902)	-
		59,124,254	(13,700,461)	45,423,793

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM37,813,991** (2023: RM38,986,531) that are past due but not impaired as the management is of the view that these debts will be collected in due course. Included herein is an amount of **RM35,772,268** (2023: RM33,384,530) due from an associate which has become the wholly-owned subsidiary of the Company as at the date of this report as disclosed in Note 37 to the financial statements.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has significant concentration of credit risk in the form of outstanding balance due from **3 customers** (2023: 3 customers) representing **76%** (2023: 60%) of the total trade receivables.

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3.1 Trade receivables and contract assets (Cont'd)

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM	Allowance for ECL RM	Net RM
Credit risk rating			
GROUP			
2024			
Low risk	46,425,368	(362,553)	46,062,815
Individually impaired	7,148,479	(7,148,479)	-
	<u>53,573,847</u>	<u>(7,511,032)</u>	<u>46,062,815</u>
2023			
Low risk	45,594,352	(170,559)	45,423,793
Individually impaired	13,529,902	(13,529,902)	-
	<u>59,124,254</u>	<u>(13,700,461)</u>	<u>45,423,793</u>

In managing the credit risk of the trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for ECL of trade receivables and contract assets at an amount equal to lifetime ECL using a simplified approach. The ECL on trade receivables and contract assets are estimated based on past default experience and an analysis of the trade receivables' and contract assets' current financial position, adjusted for factors that are specific to the trade receivables and contract assets such as liquidation and bankruptcy. Forward looking information such as gross domestic product rate has been incorporated in determining the ECL.

ECL rates are calculated using a "roll rate" method based on the probability of receivables progressing through successive stages of delinquency to 365 days past due and based on actual credit loss experience over the past three years. The Group also considers differences between:

- (i) economic conditions during the period over which the historical data has been collected; and
- (ii) the Group's view of economic conditions over the expected lives of the receivables.

There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter.

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3.2 Intercompany balances

The Company provides advances to its subsidiary and monitors their results regularly.

The maximum exposure to credit risk is represented by the carrying amount as disclosed in Note 10 to the financial statements.

As at the end of the reporting period, there was no indication that the advances to the subsidiary are not recoverable. The Company does not specifically monitor the ageing of these advances.

33.3.3 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions for banking facilities granted to a subsidiary up to a limit of **RM72,932,000** (2023: RM75,532,000). The maximum exposure to credit risk is amounted to **RM42,713,088** (2023: RM36,851,828), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

33.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
GROUP				
2024				
Non-derivative financial liabilities				
Borrowings *	44,040,053	46,065,422	32,073,964	13,991,458
Trade and other payables, excluding non-refundable deposit received	9,218,931	9,218,931	9,218,931	-
Total undiscounted financial liabilities	53,258,984	55,284,353	41,292,895	13,991,458

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.4 Liquidity risk (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
2023				
<i>Non-derivative financial liabilities</i>				
Borrowings *	36,682,858	40,697,792	22,781,099	17,916,693
Trade and other payables	7,408,296	7,408,296	7,408,296	-
Total undiscounted financial liabilities	44,091,154	48,106,088	30,189,395	17,916,693

COMPANY

2024

<i>Non-derivative financial liabilities</i>				
Trade and other payables	234,805	234,805	234,805	-
Financial guarantee #	-	42,713,088	42,713,088	-
Total undiscounted financial liabilities	234,805	42,947,893	42,947,893	-

2023

<i>Non-derivative financial liabilities</i>				
Trade and other payables	243,091	243,091	243,091	-
Financial guarantee #	-	36,851,828	36,851,828	-
Total undiscounted financial liabilities	243,091	37,094,919	37,094,919	-

* The bank has agreed to grant an indulgence for non-compliance of maintaining debt service coverage ratio subsequent to the year end as disclosed in Note 17 to the financial statements. As such, while the term loan has been reclassified to current liabilities for presentation purposes, the contractual cash flows remains unchanged and are presented based on their original contractual maturity dates.

The financial guarantees are included for illustration purpose only as they have not crystallised as at the end of the reporting period.

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on the carrying amounts as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
Financial assets	15,384,870	31,267,545	-	16,768,398
Financial liabilities	3,273,778	2,562,451	-	-
Floating rate instruments				
Financial liabilities	40,766,275	34,120,407	-	-

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at FVTPL, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have increased the Group's loss before tax and decreased the Group's equity by **RM103,875** (2023: RM78,945) and **RM95,539** (2023: RM72,609) respectively. A corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market condition. This analysis assumes that all other variables remain constant.

33.6 Foreign currency risk

The objectives of the Group's foreign exchange policy are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily USD and RMB.

Notes to the Financial Statements

30 September 2024 (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.6 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's loss before tax and equity. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have increased the Group's loss before tax and decreased the equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP	
	2024 RM	2023 RM
USD	372,407	995,221
RMB	4,089,079	3,343,541
Increased in loss before tax	4,461,486	4,338,762
Decreased in equity	3,390,729	3,297,459

33.7 Equity price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's investment in short term fund.

The management monitors the investment in short term fund and it can be redeemed at any time upon notice given to the financial institution.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the prices of the short term fund has been 1% higher/lower, with all other variables held constant, would have an insignificant impact to the Group's and the Company's loss before tax and equity.

34. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and of the Company's financial assets (other than other investment) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

Notes to the Financial Statements

30 September 2024 (Cont'd)

34. FAIR VALUE MEASUREMENT

34.1 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2024					
Financial asset					
Other investment	1,002,663	-	-	1,002,663	1,002,663
2023					
Financial asset					
Foreign currency forward contracts	-	58,924	-	58,924	58,924
COMPANY					
2024					
Financial asset					
Other investment	1,002,663	-	-	1,002,663	1,002,663

Level 1

Level 1 fair value of the other investment is derived by reference to their quoted market prices in active markets as at the end of the reporting period.

Level 2

The derivative financial assets arising from the fair value changes on the foreign currency forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the current contract using a riskfree interest rate.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, level 2 and level 3 during the financial year.

Notes to the Financial Statements

30 September 2024 (Cont'd)

35. RESTRICTED SHARE PLAN ("RSP")

The RSP which had been approved by the shareholders of the Company at an Extraordinary General Meeting held on 12 December 2014, was implemented on 13 July 2017. It forms part of the Company's listing scheme during its Initial Public Offering on 15 September 2015 and is governed by the By-Laws of the RSP. The RSP will be in force for a maximum period of ten years from 15 February 2016 until 14 February 2026.

The salient features of RSP are as follows:

- (i) The total number of new ordinary shares which are available to be issued under the RSP shall not exceed ten percent (10%) of the total issued and fully paid-up share capital of the Company at any time throughout the duration of the RSP.
- (ii) Any employee or director of any company comprised in the Group shall be eligible to participate in the RSP if, as at the date of offer, the employee or director is at least eighteen (18) years of age or above; and is employed on a continuous full-time basis and must be a confirmed employee; for director, further approval by shareholders of the Company is required in a general meeting.
- (iii) The allocation of the share will be staggered over the duration of the RSP and no further share shall be allocated after the initial grant date.
- (iv) The RSP shall remain unissued until the share awards are vested and shall, on allotment, rank *pari passu* in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company prior to the date of allotment.
- (v) A participant is required to pay RM1 only upon accepting the Restricted Share Award and is not required for further payment upon vesting of the new shares.

Movement of RSP during the financial year

The movements of the RSP during the financial year is as follows:

Grant date	RSP	----- Number of RSP -----				Balance at end
		Balance at beginning	Granted	Vested	Lapsed *	
2024						
3.10.2022	IX	690,300	-	(690,300)	-	-
11.10.2022	X	25,300	-	(25,300)	-	-
21.6.2023	XI	1,293,900	-	(1,208,800)	(85,100)	-
3.8.2023	XII	30,000	-	(30,000)	-	-
3.10.2023	XIII	-	613,900	-	-	613,900
14.6.2024	XIV	-	805,300	-	-	805,300
		2,039,500	1,419,200	(1,954,400)	(85,100)	1,419,200

Notes to the Financial Statements

30 September 2024 (Cont'd)

35. RESTRICTED SHARE PLAN ("RSP") (CONT'D)

The movements of the RSP during the financial year is as follows: (Cont'd)

Grant date	RSP	Number of RSP				Balance at end
		Balance at beginning	Granted	Vested	Lapsed *	
2023						
14.1.2022	VII	548,700	-	(459,000)	(89,700)	-
21.6.2022	VIII	1,078,400	-	(894,600)	(183,800)	-
3.10.2022	IX	-	773,200	-	(82,900)	690,300
11.10.2022	X	-	25,300	-	-	25,300
21.6.2023	XI	-	1,293,900	-	-	1,293,900
3.8.2023	XII	-	30,000	-	-	30,000
		1,627,100	2,122,400	(1,353,600)	(356,400)	2,039,500

* Lapsed due to resignation.

The fair value of the awarded shares granted during the financial year is as follows:

Fair value of RSP (RM)	RSP VII	RSP VIII	RSP IX	RSP X
	1.0966	0.6053	0.4042	0.3980
Fair value of RSP (RM)	RSP XI	RSP XII	RSP XIII	RSP XIV
	0.3851	0.3380	0.3150	0.4300

The eligible persons will be awarded ordinary shares in the Company without any consideration payable by them.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy or process during the financial year under review as compared to the previous financial year.

The Group considers its total equity and total loans and borrowings to be the key components of its capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total borrowings (net of cash and bank balances) divided by total equity as follows:

Notes to the Financial Statements

30 September 2024 (Cont'd)

36. CAPITAL MANAGEMENT (CONT'D)

	GROUP	
	2024 RM	2023 RM
Total borrowings	44,040,053	36,682,858
Less: Cash and bank balances	(22,893,563)	(36,859,352)
Net debt/(Net cash)	21,146,490	(176,494)
Total equity	113,167,761	135,289,442
Gearing ratio	0.19	N/A ⁽ⁱ⁾

⁽ⁱ⁾ N/A - Not applicable as net cash position

37. EVENT AFTER THE REPORTING PERIOD

(i) Acquisition of a subsidiary

On 1 October 2024, the subsidiary of the Company, ACSB, has entered into a Conditional Equity Transfer Agreement with Tangren Microintelligence Technology (Jiashan) Co., Ltd. to acquire the remaining 60% equity interest in TMSS for a total cash consideration of RMB25,000,000 (equivalent to approximately RM15.045 million) ("Proposed Acquisition"). On 20 December 2024, the transfer of the remaining 40% equity interest in TMSS has been completed and TMSS has become a wholly-owned subsidiary of ACSB, which in turn is a wholly-owned subsidiary of the Company.

Upon completion of the Proposed Acquisition, the Company proposed to increase the registered capital of TMSS by up to 60% of the enlarged registered capital of TMSS for subscription by third party investors to be identified later at cash consideration to be determined later subsequent to the completion of the Proposed Acquisition.

(ii) Incorporation of a new subsidiary

On 24 December 2024, the Company has incorporated a wholly-owned subsidiary, Tangming Shengshi Technology (Jiangsu) Co., Ltd., with the registered share capital of RMB10,000,000 of which has not been contributed as at the date of this report

List of Property

Registered Owner / Location	Date of Acquisition	Date of Expiring	Description	Tenure	Age of building (Years)	Built up Area (Sq.ft)	Existing Use	Audited Net Carrying Amount as at 30 September 2024
Aemulus Base No.25, Jalan Sultan Azlan Shah Zon Perindustrian Bayan Lepas Phase 1, 11900 Bayan Lepas Pulau Pinang	23.01.2017	3 November 2080	Industrial land and 4-storey industrial building	Leasehold	60	70,929	Headquarters	27,140,710
								27,140,710

Analysis of Shareholdings

As At 12 December 2024

- A. Class of Shares : Ordinary Shares
 Voting Rights : On show of hands – One vote for one person
 On a poll – One vote for one ordinary share

B. ANALYSIS BY SIZE OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 – 99	579	5.086	25,879	0.004
100 – 1,000	1,168	10.260	671,999	0.100
1,001–10,000	4,745	41.681	27,374,960	4.075
10,001 – 100,000	4,206	36.947	148,732,913	22.140
100,001 – 33,589,236 (*)	683	6.000	359,417,972	53.502
33,589,237 and above (**)	3	0.026	135,561,024	20.179
Total	11,384	100.000	671,784,747	100.000

Remarks: * - Less than 5% of Issued Shares
 ** - 5% and above of Issued Shares

C. SUBSTANTIAL SHAREHOLDERS

NAME	NUMBER OF ORDINARY SHARES			%
	DIRECT	%	INDIRECT	
NG SANG BENG	19,402,299	2.888	109,294,874*	16.269
CRYSTAL CLEAR (L) FOUNDATION	67,450,000	10.040	-	-
YEOH CHEE KEONG	54,808,275	8.159	575,000^	0.086
AEMULUS VENTURE SDN BHD	36,952,749	5.501	-	-

Notes:

- * Deemed interested by virtue of his shareholdings of not less than 20% in Aemulus Venture Sdn Bhd pursuant to Section 8 of the Companies Act 2016 (“the Act”), being the founder, council chairman and beneficiary of Crystal Clear (L) Foundation and other interest held through his spouse pursuant to Section 59(11)(c) of the Act.
 ^ Other interest held through his spouse pursuant to Section 59(11)(c) of the Act.

D. DIRECTORS' SHAREHOLDINGS

NAME	NUMBER OF ORDINARY SHARES			%
	DIRECT	%	INDIRECT	
NG SANG BENG	19,402,299	2.888	109,294,874*	16.269
DATO' SERI LEE KAH CHOON	120,000	0.018	-	-
CH'NG SUAT PING	88,000	0.013	-	-
TURSINA BINTI YAACOB	-	-	-	-
JU SIEW LEE	100,000	0.015	-	-

Notes:

- * Deemed interested by virtue of his shareholdings of not less than 20% in Aemulus Venture Sdn. Bhd. pursuant to Section 8 of the Act, being the founder, council chairman and beneficiary of Crystal Clear (L) Foundation and other interest held through his spouse pursuant to Section 59(11)(c) of the Act.

Analysis of Shareholdings As At 12 December 2024 (Cont'd)

E. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating the securities from different securities accounts belonging to the same person)

NO.	NAME	NO. OF SHARES	% OF TOTAL ISSUED SHARES
1.	HSBC NOMINEES (TEMPATAN) SDN BHD HBAP FOR CRYSTAL CLEAR (L) FOUNDATION (PB-SGDIV)	60,000,000	8.931
2.	YEOH CHEE KEONG	38,608,275	5.747
3.	AEMULUS VENTURE SDN. BHD.	36,952,749	5.500
4.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	31,589,900	4.702
5.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SANG BENG	17,593,200	2.618
6.	WONG SHEE KIAN	16,481,094	2.453
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YEOH CHEE KEONG (PB)	16,200,000	2.411
8.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	15,297,600	2.277
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIAHEXTRA FUND (N14011960240)	8,818,200	1.312
10.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (KIB)	7,614,100	1.133
11.	CRYSTAL CLEAR (L) FOUNDATION	7,450,000	1.108
12.	FRIISCOR HO CHII SSU	6,733,650	1.002
13.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIANG HUA UNG	5,531,000	0.823
14.	PONG CHUNG CHENG	4,892,125	0.728
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PHILLIP PEARL FUND (UT-PM-PPF) (419471)	4,761,700	0.708
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (UOB)	4,559,700	0.678
17.	MOY SHIN FEI	4,001,233	0.595
18.	SIM AH YOONG	3,730,000	0.555
19.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR TEH SHIOU CHERNG	3,450,000	0.513
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA EQUITYEXTRA FUND (990405)	2,756,700	0.410
21.	LOW BOK SIEW	2,620,642	0.390
22.	TAN E-CHIANG	2,030,352	0.302
23.	YEOH CHEEN NEE	1,955,800	0.291
24.	NG SANG BENG	1,809,099	0.269
25.	ONG CHUIN TEIN	1,786,425	0.265
26.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR PHILLIP RECOVERY FUND	1,671,900	0.248
27.	TAN TZE SIN	1,657,700	0.246
28.	INDERJIT SINGH A/L BAGHER SINGH	1,620,000	0.241
29.	LIM SEW KIM	1,612,100	0.239
30.	LEMBAGA TABUNG AMANAH WARISAN NEGERI TERENGGANU	1,538,600	0.229

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting (or “**AGM**”) of the Company will be held at the Walhalla Hall, Aemulus Base, No. 25, Jalan Sultan Azlan Shah, Zon Perindustrian Bayan Lepas, Phase 1, 11900 Bayan Lepas, Pulau Pinang, Malaysia on Tuesday, 25 February 2025 at 10:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|---|--|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 30 September 2024 together with the Reports of the Directors and Auditors thereon. | Please refer to the Explanatory Notes |
| 2. | To approve the payment of Directors’ fees of RM210,000 for the financial year ending 30 September 2025. | Ordinary Resolution 1 |
| 3. | To approve the payment of benefits payable to the Directors of the Company up to an amount of RM70,000 from 25 February 2025 until the conclusion of the next AGM of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect Dato’ Seri Lee Kah Choon as a Director who retires in accordance with Article 95 of the Company’s Constitution and who being eligible offers himself for re-election. | Ordinary Resolution 3 |
| 5. | To re-elect Ms. Ju Siew Lee as a Director who retires in accordance with Article 102 of the Company’s Constitution and who being eligible offers herself for re-election. | Ordinary Resolution 4 |
| 6. | To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications the following resolution:

7. ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the “**Act**”), ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and/or the approvals of the relevant regulatory authorities, where required, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Article 57 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act.”

Ordinary Resolution 6

Notice of Annual General Meeting (Cont'd)

8. To transact any other business of which due notices shall have been given in accordance with the Act.

By Order of the Board,

CHEE WAI HONG (BC/C/1470)
SSM PC No. 202008001804
TAN SHE CHIA (MAICSA 7055087)
SSM PC No. 202008001923
 Company Secretaries

Penang

Date: 21 January 2025

Notes:

1. All Members who intend to attend the Tenth AGM in person ARE REQUIRED TO PRE-REGISTER with Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("**Share Registrar**", "**Tricor**", or "**TIIH**") via TIIH Online website at <https://tiih.online> no later than Sunday, 23 February 2025 at 10.00 a.m. Please refer to the Pre-Register procedures in the Administrative Guide of Tenth AGM for further information.
2. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
 In the case of an appointment made in hard copy form, the proxy form must be deposited at the Company's Registered Office at Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
 - (ii) By electronic means via TIIH Online
 The proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online>.
3. There shall be no restriction as to the qualification of the proxy, a proxy may but need not be a member of the Company.
4. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
5. Where a member appoints two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his shareholding to be represented by each proxy.
6. A member who has appointed a proxy/attorney/corporate representative to attend and vote at the Tenth AGM must request his/her proxy/attorney/corporate representative to submit their Pre-Register at the TIIH Online website at <https://tiih.online>. Please follow the procedures in the Administrative Guide of this AGM.
7. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, under its Common Seal or under the hand of its attorney.
8. Any authority pursuant to such appointment is made by a power of attorney must be deposited at the Company's Registered Office at Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time of holding the AGM or adjourned AGM.

Notice of Annual General Meeting (Cont'd)

9. For a corporate member who has appointed an authorised representative, please deposit the original/duly signed certificate of appointment of authorised representative at the Company's Registered Office at Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
10. The last date and time for lodging the proxy form is **Sunday, 23 February 2025 at 10.00 a.m.**
11. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
12. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 69(2) Company's Constitution and Rule 7.16(2) of the ACE Market Listing Requirements, a Record of Depositors ("**ROD**") as at 18 February 2025 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
13. All resolutions as set out in this notice of the Tenth AGM are to be voted by poll.

Explanatory Notes on Ordinary Business

(i) **Item 1 of the Agenda**

To receive the Audited Financial Statements of the Company for the financial year ended 30 September 2024 together with the Reports of the Directors and Auditors thereon

This item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

(ii) **Ordinary Resolution 1 – Payment of Directors' fees**

Ordinary Resolution 1 is to facilitate payment of Directors' fees on current financial year basis, calculated based on the number of existing non-executive directors and the role and responsibilities undertaken by the non-executive directors for financial year 2025, and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees proposed are insufficient (e.g. due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

(iii) **Ordinary Resolution 2 – Payment of Directors' benefits**

Ordinary Resolution 2 is to approve the payment of Directors' benefits comprising allowances pursuant to the requirements of Section 230 of the Act for the period from 25 February 2025 until the conclusion of the next AGM of the Company.

(iv) **Ordinary Resolutions 3 and 4 – Re-election of Directors**

Dato' Seri Lee Kah Choon and Ms. Ju Siew Lee (collectively referred to as "**Retiring Directors**") are standing for re-election as Directors of the Company pursuant to Article 95 and Article 102 of the Company's Constitution respectively at the Tenth AGM of the Company and being eligible have offered themselves for re-election in accordance with the Company's Constitution.

The Board has through the Nomination Committee ("**NC**") carried out the necessary assessment of the Retiring Directors and concluded that the Retiring Directors met the criteria as prescribed under Fit and Proper Policy of the Company on character, experience, integrity, competence and time commitment to effectively discharge their role as Directors.

The Board has also through the NC carried out assessment on the independence of the Independent Non-Executive Directors ("**INEDs**") and is satisfied with the independence and performance of the INEDs.

The Board has endorsed the NC's recommendation to seek shareholders' approval for the re-election of the Retiring Directors. The profiles of the Retiring Directors are provided in the Directors' profile on pages 20 and 24 of the Annual Report 2024.

Notice of Annual General Meeting (Cont'd)

Explanatory Notes on Special Business

Ordinary Resolution 6 – Authority to issue shares

The proposed Ordinary Resolution 6, if passed, primarily to approve new mandate to give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in a general meeting, will expire at the conclusion of the next AGM.

This mandate if granted will provide flexibility to the Company for the allotment of shares for the purpose of fund raising activities including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital, acquisition(s) and/or settlement of banking facility(ies).

Pursuant to Section 85 of the Act read together with Article 57 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

The proposed Ordinary Resolution 6, if passed, would allow the Directors to issue new shares to any person under the said mandate without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Rule 8.29(2) of the Listing Requirements)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this Tenth AGM.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with the Rule 6.04(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of Annual General Meeting of the Company for the details.

Proxy Form

CDS Account No.	
No. of ordinary shares held	

I/We
 (FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Registration No.....)

of
 (FULL ADDRESS)

being a *member/members of **AEMULUS HOLDINGS BERHAD** (the "**Company**"), hereby appoint

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

*and

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

or failing him/her, *the Chairman of the meeting, to attend and vote for *me/ us and on *my/ our behalf at the Tenth Annual General Meeting ("**AGM**") of the Company to be held at the Walhalla Hall, Aemulus Base, No. 25, Jalan Sultan Azlan Shah, Zon Perindustrian Bayan Lepas, Phase 1, 11900 Bayan Lepas, Pulau Pinang, Malaysia on Tuesday, 25 February 2025 at 10:00 a.m., and at any adjournment thereof to vote as indicated below:

Resolutions		For	Against
Ordinary Resolution 1	Approval of payment of Directors' fees for the financial year ending 30 September 2025		
Ordinary Resolution 2	Approval of payment of Directors' benefits from 25 February 2025 until the conclusion of the next AGM of the Company		
Ordinary Resolution 3	Re-election of Dato' Seri Lee Kah Choon as Director		
Ordinary Resolution 4	Re-election of Ms. Ju Siew Lee as Director		
Ordinary Resolution 5	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 6	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		

(Please indicate with an "X" in the spaces provided above on how you wish your vote to be cast. If you do not do so, the proxy may vote or abstain from voting at his/her discretion).

In case of a vote taken by a show of hands, the *First named Proxy / Second named Proxy shall vote on *my/ our behalf.

As witness my hand this day of 2025.

.....
 Signature of Member(s)/ Common Seal

* Strike out whichever is not desired

Contact No. : _____

Notes :

1. All Members who intend to attend the Tenth AGM in person ARE REQUIRED TO PRE-REGISTER with Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("**Share Registrar**", "**Tricor**", or "**TIIH**") via TIIH Online website at <https://tiih.online> no later than Sunday, 23 February 2025 at 10.00 a.m. Please refer to the Pre-Register procedures in the Administrative Guide of Tenth AGM for further information.
2. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
 In the case of an appointment made in hard copy form, the proxy form must be deposited at the Company's Registered Office at Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
 - (ii) By electronic means via TIIH Online
 The proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online>.
3. There shall be no restriction as to the qualification of the proxy, a proxy may but need not be a member of the Company.
4. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
5. Where a member appoints two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his shareholding to be represented by each proxy.
6. A member who has appointed a proxy/attorney/corporate representative to attend and vote at the Tenth AGM must request his/her proxy/attorney/corporate representative to submit their Pre-Register at the TIIH Online website at <https://tiih.online>. Please follow the procedures in the Administrative Guide of this AGM.
7. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, under its Common Seal or under the hand of its attorney.
8. Any authority pursuant to such appointment is made by a power of attorney must be deposited at the Company's Registered Office at Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time of holding the AGM or adjourned AGM.
9. For a corporate member who has appointed an authorised representative, please deposit the original/duly signed certificate of appointment of authorised representative at the Company's Registered Office at Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
10. The last date and time for lodging the proxy form is **Sunday, 23 February 2025 at 10.00 a.m.**
11. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
12. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 69(2) Company's Constitution and Rule 7.16(2) of the ACE Market Listing Requirements, a Record of Depositors ("**ROD**") as at 18 February 2025 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
13. All resolutions as set out in this notice of the Tenth AGM are to be voted by poll.
14. Any alteration of this form must be initiated.



Please fold across the line and close

STAMP
HERE

To
The Company Secretaries
AEMULUS HOLDINGS BERHAD
Registration No. 201401037863 (1114009-H)
Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar,
10200 George Town,
Pulau Pinang, Malaysia.


Please fold across the line and close


www.aemulus.com



AEMULUS HOLDINGS BERHAD
Registration No. 201401037863 (1114009-H)

No. 25, Jalan Sultan Azlan Shah, Zon Perindustrian Bayan Lepas,
Phase 1, 11900 Bayan Lepas, Pulau Pinang, Malaysia.

 (604) 684 6000

 (604) 646 6799