



# **AEMULUS HOLDINGS BERHAD**

(Company No. 201401037863 (1114009-H))  
("AEMULUS" OR THE "COMPANY")

## **INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED 31 DECEMBER 2019**

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**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

|   | (Unaudited)<br>As at<br>31.12.2019<br>RM'000 | (Audited)<br>As at<br>30.09.2019<br>RM'000 |
|---|--|--|
| <b>Assets</b>   |  |  |
| <b>Non-Current Assets</b>   |  |  |
| Property, plant & equipment   | 27,851                                       | 24,226                                     |
| Intangible assets   | 13,686                                       | 13,686                                     |
| Other investment  | 356  | 356  |
| Development costs   | 4,593  | 3,973                                      |
|   | 46,486                                       | 42,241                                     |
| <b>Current Assets</b>   |  |  |
| Inventories   | 15,858                                       | 15,763                                     |
| Trade receivables   | 14,710                                       | 15,640                                     |
| Contract assets   | 3,515  | 2,690                                      |
| Other receivables, deposits and prepayments                                   | 1,198  | 921  |
| Derivative financial assets   | 91   | -  |
| Current tax assets  | 137  | 140  |
| Other investments   | 4,480  | 8,854                                      |
| Fixed deposits with licensed banks  | 5,555  | 2,525                                      |
| Cash and bank balances  | 912  | 838  |
|   | 46,456                                       | 47,371                                     |
| <b>TOTAL ASSETS</b>   | 92,942                                       | 89,612                                     |
| <b>EQUITY</b>   |  |  |
| Share capital <sup>(b)</sup>  | 59,438                                       | 59,438                                     |
| Reserves  | (12,898)                                     | (12,925)                                   |
| Retained profits  | 25,539                                       | 27,532                                     |
|   | 72,079                                       | 74,045                                     |
| <b>Non-Current Liabilities</b>  |  |  |
| Borrowings  | 7,391  | 4,438                                      |
| <b>Current Liabilities</b>  |  |  |
| Trade payables  | 3,321  | 3,934                                      |
| Contract liabilities  | 90   | 337  |
| Other payables and accruals   | 3,699  | 3,881                                      |
| Derivative financial liabilities  | -  | 100  |
| Provision for warranty  | 153  | 176  |
| Borrowings  | 6,209  | 2,701                                      |
|   | 13,472                                       | 11,129                                     |
| <b>TOTAL LIABILITIES</b>  | 20,863                                       | 15,567                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | 92,942                                       | 89,612                                     |
| Net assets per share attributable to owners of the Company(RM) <sup>(b)</sup> | 0.13   | 0.13                                       |

**Notes:**

(a) *The unaudited condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the interim notes attached to this interim financial report.*

(b) *Based on 548,958,841 ordinary shares in issue as disclosed in Note B11.*

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

|   | Individual Quarter<br>3 months ended |                      | Cumulative Quarter<br>3 months ended |                      |
|---|--------------------------------------|----------------------|--------------------------------------|----------------------|
|   | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 |
| Revenue   | 4,359                                | 7,738                | 4,359                                | 7,738                |
| Cost of sales   | (1,486)                              | (2,509)              | (1,486)                              | (2,509)              |
| Gross profit  | 2,873                                | 5,229                | 2,873                                | 5,229                |
| Other income  | 472                                  | 247                  | 472                                  | 247                  |
| Research and development expenses                                       | (1,179)                              | (1,014)              | (1,179)                              | (1,014)              |
| Administrative expenses   | (3,760)                              | (3,258)              | (3,760)                              | (3,258)              |
| Other expenses  | (295)                                | (133)                | (295)                                | (133)                |
| (Loss) / Profit from operation  | (1,889)                              | 1,071                | (1,889)                              | 1,071                |
| Finance costs   | (92)                                 | (33)                 | (92)                                 | (33)                 |
| (Loss) / Profit before taxation   | (1,981)                              | 1,038                | (1,981)                              | 1,038                |
| Income tax expense  | (12)                                 | (24)                 | (12)                                 | (24)                 |
| <b>(Loss) / Profit for the period</b>                                   | <b>(1,993)</b>                       | <b>1,014</b>         | <b>(1,993)</b>                       | <b>1,014</b>         |
| <b>Other comprehensive income, net of tax:</b>                          |                                      |                      |                                      |                      |
| <b>Item that will be reclassified subsequently to profit or loss:</b>   |                                      |                      |                                      |                      |
| Foreign currency translation differences arising from foreign operation | 5                                    | -                    | 5                                    | -                    |
| <b>Total comprehensive (loss) / income for the period</b>               | <b>(1,988)</b>                       | <b>1,014</b>         | <b>(1,988)</b>                       | <b>1,014</b>         |
| (Loss) / Earnings per share:-   |                                      |                      |                                      |                      |
| Basic <sup>(b)</sup> / Diluted <sup>(c)</sup> (sen)                     | (0.37)                               | 0.18                 | (0.37)                               | 0.18                 |

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the interim notes attached to this interim financial report.*
- (b) *Based on 548,958,841 ordinary shares in issue as disclosed in Note B11.*
- (c) *Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares as disclosed in Note B11.*

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

|   | ← Non-Distributable →      |                             |                          | Distributable                                |                               |                           |
|---|----------------------------|-----------------------------|--------------------------|--|-------------------------------|---------------------------|
|   | Share<br>Capital<br>RM'000 | Merger<br>Deficit<br>RM'000 | RSP<br>Reserve<br>RM'000 | Exchange<br>Translation<br>Reserve<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>At 1 October 2019</b>  | <b>59,438</b>              | <b>(12,954)</b>             | <b>86</b>                | <b>(57)</b>                                  | <b>27,532</b>                 | <b>74,045</b>             |
| Total comprehensive loss for the year                                   | -                          | -                           | -                        | 5  | (1,993)                       | (1,988)                   |
| <i>Transaction with owner:</i>  |                            |                             |                          |  |                               |                           |
| Recognition of equity-settled share-based payment                       | -                          | -                           | 22                       | -  | -                             | 22                        |
| <b>At 31 December 2019</b>  | <b>59,438</b>              | <b>(12,954)</b>             | <b>108</b>               | <b>(52)</b>                                  | <b>25,539</b>                 | <b>72,079</b>             |
| <b>At 1 October 2018</b>  | <b>59,187</b>              | <b>(12,954)</b>             | <b>134</b>               | <b>(45)</b>                                  | <b>32,181</b>                 | <b>78,503</b>             |
| Effects of adopting MFRS 9  | -                          | -                           | -                        | -  | (336)                         | (336)                     |
| Balance at beginning, restated  | 59,187                     | (12,954)                    | 134                      | (45)   | 31,845                        | 78,167                    |
| Total comprehensive loss for the year                                   | -                          | -                           | -                        | (12)   | (3,215)                       | (3,227)                   |
| <i>Transaction with owner:</i>  |                            |                             |                          |  |                               |                           |
| Issue of shares pursuant RSP vested                                     | 251                        | -                           | (251)                    | -  | -                             | -                         |
| Interim single tier dividend for financial year ended 30 September 2018 | -                          | -                           | -                        | -  | (1,098)                       | (1,098)                   |
| Recognition of equity-settled share-based payment                       | -                          | -                           | 203                      | -  | -                             | 203                       |
| <b>At 30 September 2019</b>   | <b>59,438</b>              | <b>(12,954)</b>             | <b>86</b>                | <b>(57)</b>                                  | <b>27,532</b>                 | <b>74,045</b>             |

Note:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the interim notes attached to this interim financial report.

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

|   | <b>31.12.2019</b> | <b>31.12.2018</b> |
|---|-------------------|-------------------|
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                   |                   |
| (Loss) / Profit before taxation                             | (1,981)           | 1,038             |
| Adjustments for:  |                   |                   |
| Depreciation  | 525               | 328               |
| Dividend income   | (46)              | (97)              |
| Equity-settled share-based payment                          | 22                | 82                |
| Fair value (gain) / loss on derivative financial instrument | (192)             | 24                |
| Gain on disposal of property, plant and equipment           | (263)             | -                 |
| Interest expenses   | 92                | 33                |
| Interest income   | (31)              | (11)              |
| Reversal of provision for warranty                          | (23)              | (22)              |
| Unrealised gain on foreign exchange                         | (104)             | (150)             |
| Operating (loss) / profit before changes in working capital | (2,001)           | 1,225             |
| (Increase) / Decrease in inventories                        | (95)              | 87                |
| Decrease / (Increase) in receivables                        | 164               | (3,772)           |
| (Decrease) / Increase in payables                           | (1,050)           | 132               |
| Cash used in operations                                     | (2,982)           | (2,328)           |
| Interest paid   | (92)              | (33)              |
| Income tax paid   | -                 | (174)             |
| Net cash used in operating activities                       | (3,074)           | (2,535)           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                   |                   |
| Acquisition of property, plant and equipment                | (4,150)           | (1,503)           |
| Additions of development costs                              | (621)             | (798)             |
| Dividend received   | 46                | 97                |
| Interest received   | 31                | 11                |
| Placement of fixed deposits                                 | (3,031)           | (5)               |
| Proceeds from disposal of property, plant and equipment     | 30                | -                 |
| Net cash used in investing activities                       | (7,695)           | (2,198)           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                   |                   |
| Dividend paid   | -                 | (1,098)           |
| Proceeds from term loan                                     | 2,952             | -                 |
| Proceeds from revolving credit                              | 2,500             | -                 |
| Repayment of term loan                                      | (132)             | (132)             |
| Repayment of banker's acceptance                            | (623)             | -                 |
| Net cash from / (used in) financing activities              | 4,697             | (1,230)           |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>            | (6,072)           | (5,963)           |
| Effects of changes in exchange rates                        | 8                 | 140               |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>               | 8,784             | 23,060            |
| <b>CASH AND CASH EQUIVALENTS AT END</b>                     | <b>2,720</b>      | <b>17,237</b>     |

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (cont'd)**

|   | <b>31.12.2019</b>   | <b>31.12.2018</b>    |
|---|---------------------|----------------------|
|   | <b>RM'000</b>       | <b>RM'000</b>        |
| <b>Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:</b> |                     |                      |
| Other investments   | 4,480               | 14,575               |
| Fixed deposits with licensed banks  | 5,555               | 555                  |
| Cash and bank balances  | 912                 | 2,662                |
| Bank overdraft  | (2,672)             | -                    |
|   | <u>8,275</u>        | <u>17,792</u>        |
| Less: Pledged to licensed banks as securities for banking facilities  | (5,555)             | (555)                |
|   | <u><b>2,720</b></u> | <u><b>17,237</b></u> |

*Notes:*

- (a) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the interim notes attached to this interim financial report.*
- (b) *The other investment of the Group has been determined to be part of cash and cash equivalents since the funds are invested in money market instruments and short term deposits and are subject to minimal risk.*

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING**

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**A1. Basis of Preparation**

The interim financial report of Aemulus and its subsidiary (collectively, "the **Group**") is unaudited and has been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("**MASB**") and Paragraph 9.22 and Appendix 9B of the ACE Listing Requirements.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial report are consistent with those adopted in the annual audited financial statements of the Group. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the interim notes attached to this interim financial report.

**A2. Significant Accounting Policies**

The accounting policies adopted by the Group are consistent with those of the previous financial years except for the adoption of the following standards that are mandatory for the current financial period:

| <b>MFRS and/or IC Interpretations (Including The Consequential Amendments)</b>  | <b>Effective Date</b> |
|---|-----------------------|
| MFRS 16 Leases  | 1 January 2019        |
| Amendments to MFRS 9 Financial Instrument: Prepayment Features with Negative Compensation                                 | 1 January 2019        |
| Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement                                       | 1 January 2019        |
| Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures | 1 January 2019        |
| IC Interpretations 23 Uncertainty over Income Tax Treatments  | 1 January 2019        |
| Annual Improvements to MFRS Standards 2015-2017 Cycle   | 1 January 2019        |

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (*cont'd*)**

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**A2. Significant Accounting Policies (*cont'd*)**

The Group has not applied the following standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group:

| <b>MFRS and/or IC Interpretations (Including The Consequential Amendments)</b>   | <b>Effective Date</b> |
|--|-----------------------|
| Amendments to References to the Conceptual Framework in MFRS Standards   | 1 January 2020        |
| Amendments to MFRS 3 Business Combinations: Definition of a Business   | 1 January 2020        |
| Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material | 1 January 2020        |
| MFRS 17 Insurance Contracts  | 1 January 2021        |

**A3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report of the financial statements for the financial year ended 30 September 2019 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's business is subject to the cyclicity of the semiconductor industry.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

**A6. Material Changes in Estimates**

There were no changes in estimates of amounts reported that have a material effect in the financial period under review.



**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (*cont'd*)**

**A7. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter under review.

**A8. Dividend Paid**

No dividend was paid in the current financial year.

**A9. Segmental Reporting**

The Group's revenue is recognised based on the sales of its automated test equipment ("ATE") and related services which consist of provision of maintenance services for the Group's ATE, consultancy services for printed circuit board design and others.

**Business Activities**

| Revenue          | Individual Quarter<br>3 months ended |                      | Cumulative Quarter<br>3 months ended |                      |
|------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
|                  | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 |
| ATE              | 2,125                                | 6,677                | 2,125                                | 6,677                |
| Related services | 2,234                                | 1,061                | 2,234                                | 1,061                |
|                  | <u>4,359</u>                         | <u>7,738</u>         | <u>4,359</u>                         | <u>7,738</u>         |

**Principal Markets**

| Revenue                  | Individual Quarter<br>3 months ended |                      | Cumulative Quarter<br>3 months ended |                      |
|--------------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
|                          | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 |
| Malaysia                 | 1,277                                | 585                  | 1,277                                | 585                  |
| Singapore                | 1,134                                | 5,873                | 1,134                                | 5,873                |
| China                    | 273                                  | 82                   | 273                                  | 82                   |
| United States of America | 311                                  | 126                  | 311                                  | 126                  |
| Korea                    | 1,024                                | -                    | 1,024                                | -                    |
| Taiwan                   | 197                                  | 928                  | 197                                  | 928                  |
| Other countries          | 143                                  | 144                  | 143                                  | 144                  |
|                          | <u>4,359</u>                         | <u>7,738</u>         | <u>4,359</u>                         | <u>7,738</u>         |

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (*cont'd*)**

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**A10. Property, Plant and Equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current financial period under review.

**A11. Capital Commitments**

|                                   |                  |
|-----------------------------------|------------------|
|                                   | 31 December 2019 |
|                                   | RM'000           |
| Contracted but not provided for:- |                  |
| - Property, plant and equipment   | <u>11,902</u>    |

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period under review.

**A13. Contingent Liabilities and Contingent Assets**

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

**A14. Material Events Subsequent to the End of the Quarter**

There were no material events subsequent to the end of the current financial period that have not been reflected in this interim financial report.

**A15. Significant Related Party Transactions**

There were no significant related party transaction during the current financial period under review.

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES**

**B1. Review of Performances**

|                                    | Individual Quarter<br>3 months ended |                      | Changes<br>(RM'000 / %) | Cumulative Quarter<br>3 months ended |                      | Changes<br>(RM'000 / %) |
|------------------------------------|--------------------------------------|----------------------|-------------------------|--------------------------------------|----------------------|-------------------------|
|                                    | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 |                         | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 |                         |
| Revenue                            | 4,359                                | 7,738                | (3,379) / (44)          | 4,359                                | 7,738                | (3,379) / (44)          |
| (Loss) / Profit<br>from operation  | (1,889)                              | 1,071                | (2,960) / (276)         | (1,889)                              | 1,071                | (2,960) / (276)         |
| (Loss) / Profit<br>before taxation | (1,981)                              | 1,038                | (3,019) / (291)         | (1,981)                              | 1,038                | (3,019) / (291)         |
| (Loss) / Profit for<br>the period  | (1,993)                              | 1,014                | (3,007) / (297)         | (1,993)                              | 1,014                | (3,007) / (297)         |

**Comparison with the corresponding quarter and financial period in the previous financial year**

The Group has recorded a 44% decrease in revenue this quarter ("Q1FY20") as compared to the corresponding quarter in the previous financial year ("Q1FY19"), mainly attributable to the soft demand for test systems from the enterprise storage market segment.

Other income recorded an increase of RM0.225 million in Q1FY20 as compared to Q1FY19 due to the gain on disposal of the Group's property in Krystal Point, Penang.

Administrative expenses recorded an increase of RM0.502 million this quarter, mainly attributable to the increase of depreciation expenses and multiple endeavours in business expansion, such as talents retention and continual marketing activities.

Other expenses have increased RM0.162 million as compared to Q1FY19, mainly due to the strengthening of Ringgit in this quarter.

In summary, the Group recorded a loss of RM1.993 million in Q1FY20.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)**

**Statement of Financial Position Review**

|  | <b>As at<br/>31.12.2019<br/>RM'000</b> | <b>As at<br/>30.09.2019<br/>RM'000</b> | <b>Changes<br/>(RM'000 / %)</b> |
|--|--|--|---------------------------------|
| <b>Review on Significant Variances:-</b> |  |  |                                 |
| Property, plant & equipment              | 27,851                                 | 24,226                                 | 3,625 / 15                      |
| Other investments                        | 4,480                                  | 8,854                                  | (4,374) / (49)                  |
| Fixed deposits with licensed banks       | 5,555                                  | 2,525                                  | 3,030 / 120                     |
| Borrowings                               | 13,600                                 | 7,139                                  | 6,461 / 91                      |

Property, plant & equipment ("PPE")

The increase was mainly due to the capitalisation of construction costs of Aemulus Base.

Other investments

Other investments recorded a 49% decrease in Q1FY20 mainly due to disposal of other investments for placement of fixed deposits with the licensed banks.

Fixed deposits with licensed banks

As the financial institutions require securities for banking facilities granted to the Group, we have pledged an additional RM3.03 million of fixed deposits in Q1FY20 through proceeds from disposal of our other investments.

Borrowings

Total borrowings have increased in line with the construction of Aemulus Base.

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)**

**Statement of Cash Flows Review**

|  | <b>As at<br/>31.12.2019<br/>RM'000</b> | <b>As at<br/>31.12.2018<br/>RM'000</b> | <b>Changes<br/>(RM'000 / %)</b> |
|--|--|--|---------------------------------|
| Net cash used in operating activities          | (3,074)                                | (2,535)                                | (539) / (21)                    |
| Net cash used in investing activities          | (7,695)                                | (2,198)                                | (5,497) / (250)                 |
| Net cash from / (used in) financing activities | 4,697                                  | (1,230)                                | 5,927 / 482                     |

**Operating Activities**

The Group experienced net cash outflow of RM3.074 million in this quarter, mainly attributable to the loss recorded and payment to suppliers.

**Investing Activities**

Ongoing construction of Aemulus Base and placement of fixed deposits with licensed banks explained the net outflow recorded in this quarter.

**Financing Activities**

The Group has drawn down revolving credit and term loan to support the business operation and construction of Aemulus Base.

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)**

**B2. Comparison with Preceding Quarter**

|                      | Individual Quarter<br>3 months ended |            | Changes<br>(RM'000 / %) |
|----------------------|--------------------------------------|------------|-------------------------|
|                      | 31.12.2019                           | 30.09.2019 |                         |
|                      | RM'000                               | RM'000     |                         |
| Revenue              | 4,359                                | 7,546      | (3,187) / (42)          |
| Loss from operation  | (1,889)                              | (3,678)    | 1,789 / 49              |
| Loss before taxation | (1,981)                              | (3,722)    | 1,741 / 47              |
| Loss for the period  | (1,993)                              | (3,718)    | 1,725 / 46              |

The Group has incurred loss after taxation of RM1.993 million as compared to preceding quarter, mainly attributable to lower sales recorded in Q1FY20.

**B3. Prospects**

Business and test development activities with our customers are actively progressing. Despite recent disruption to our travelling schedules in the Far East region, Aemulus' local employees and local agents continue to provide customers with support in Taiwan, Korea and China.

The AMB7600 and AMB5600 products will continue to be major contributors to the company's revenue in FY2020. Another new product is currently in the design and development stage. This product is expected to be ready by the 4th quarter of FY2020. Aemulus will continue to create growth through innovation and leadership in semiconductor test technology.

Recent Covid-19 outbreak is posing challenges to our business and travel activities in China for the short to medium term.

**B4. Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecast nor received any profit guarantee in respect of any corporate proposals.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES *(cont'd)***

**B5. Income tax expenses**

|            | Individual Quarter<br>3 months ended |                      | Cumulative Quarter<br>3 months ended |                      |
|------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
|            | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 | 31.12.2019<br>RM'000                 | 31.12.2018<br>RM'000 |
| Income tax | (12)                                 | (24)                 | (12)                                 | (24)                 |

The effective tax rate for the financial period under review was lower than the statutory tax rate due to statutory business income derived from the design and assembly of ATE and test and measurement instruments and the provision of related design consultancy services are exempted from income tax, in line with the customised incentive granted by Minister of Finance of Malaysia announced on 7 August 2019.

**B6. Status of Corporate Proposal Announced**

There was no corporate proposal announced and not completed as at the date of report.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)**

**B7. Group's Borrowings and Debt Securities**

The details of the Group's borrowings as at 31 December 2019 are as follows:-

|                     | As at 1st quarter ended 31 December 2019 |                            |                                 |                            |                                 |                            |
|---------------------|--|----------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|
|                     | Long term                                |                            | Short term                      |                            | Total borrowings                |                            |
|                     | Foreign<br>Denomination<br>'000          | RM<br>Denomination<br>'000 | Foreign<br>Denomination<br>'000 | RM<br>Denomination<br>'000 | Foreign<br>Denomination<br>'000 | RM<br>Denomination<br>'000 |
| Secured:            |  |                            |                                 |                            |                                 |                            |
| Overdraft           | -  | -                          | -                               | 2,672                      | -                               | 2,672                      |
| Revolving<br>Credit | -  | -                          | -                               | 2,500                      | -                               | 2,500                      |
| Term Loan           | -  | 7,391                      | -                               | 1,037                      | -                               | 8,428                      |
| Unsecured:          |  |                            |                                 |                            |                                 |                            |
| Nil                 | -  | -                          | -                               | -                          | -                               | -                          |
|                     |  |                            |                                 |                            |                                 |                            |
|                     | As at 1st quarter ended 31 December 2018 |                            |                                 |                            |                                 |                            |
|                     | Long term                                |                            | Short term                      |                            | Total borrowings                |                            |
|                     | Foreign<br>Denomination<br>'000          | RM<br>Denomination<br>'000 | Foreign<br>Denomination<br>'000 | RM<br>Denomination<br>'000 | Foreign<br>Denomination<br>'000 | RM<br>Denomination<br>'000 |
| Secured:            |  |                            |                                 |                            |                                 |                            |
| Term Loan           | -  | 1,699                      | -                               | 530                        | -                               | 2,229                      |
| Unsecured:          |  |                            |                                 |                            |                                 |                            |
| Nil                 | -  | -                          | -                               | -                          | -                               | -                          |

- a) Our subsidiary, Aemulus Corporation Sdn Bhd had drawdown additional term loan of RM2.952 million in FYE2020 to partially fund the construction of Aemulus Base.
- b) Weighted average interest rate of term loan is 4.32% and is subject to the floating interest rate.



**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)**

**B8. Derivative Financial Instrument**

The Group has the following derivative financial instrument as at the end of the reporting period:

| Derivative forward foreign exchange contracts : | Nominal Value (RM'000) | Assets/ (Liabilities) (RM'000) |
|---|------------------------|--------------------------------|
| - Less than 1 year                              | 7,675                  | 91                             |

The Group's derivative financial liabilities as at the end of the reporting period comprise forward foreign exchange contracts which are used to manage the foreign currency exposures arising from the Group's receivables denominated in USD. The fair value of the forward foreign exchange contracts is based on the difference between the contracted forward rates and the mark-to-market rates.

**B9. Material Litigation**

The Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Group, which might materially and adversely affect the financial position or business of the Group as at the date of issuance of this interim financial report.

**B10. Dividend Proposed or Declared**

No dividend was proposed or declared for the current quarter ended 30 September 2020.

**B11. Earnings Per Share ("EPS")**

(a) Basic EPS

|  | Individual Quarter<br>3 months ended |            | Cumulative Quarter<br>3 months ended |            |
|--|--------------------------------------|------------|--------------------------------------|------------|
|  | 31.12.2019                           | 31.12.2018 | 31.12.2019                           | 31.12.2018 |
| (Loss) / Profit attributable to owners of the Company (RM'000) | (1,993)                              | 1,014      | (1,993)                              | 1,014      |
| Number of ordinary shares ('000) in issue                      | 548,959                              | 548,636    | 548,959                              | 548,636    |
| Basic EPS (sen)  | (0.37)                               | 0.18       | (0.37)                               | 0.18       |

**AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)**

**B11. Earnings Per Share (“EPS”) (cont'd)**

(b) Diluted EPS

Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares arising from shares granted to employees as follows:

|  | Individual Quarter<br>3 months ended |                | Cumulative Quarter<br>3 months ended |                |
|--|--------------------------------------|----------------|--------------------------------------|----------------|
|  | 31.12.2019                           | 31.12.2018     | 31.12.2019                           | 31.12.2018     |
| (Loss) / Profit attributable to owners of the Company (RM'000) | (1,993)                              | 1,014          | (1,993)                              | 1,014          |
| Weighted average number of ordinary shares ('000)              | 548,959                              | 548,636        | 548,959                              | 548,636        |
| Adjustment for dilutive effect of RSP ('000)                   | 416                                  | 318            | 416                                  | 318            |
|  | <u>549,375</u>                       | <u>548,954</u> | <u>549,375</u>                       | <u>548,954</u> |
| Diluted EPS (sen)  | <u>(0.37)</u>                        | <u>0.18</u>    | <u>(0.37)</u>                        | <u>0.18</u>    |

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)**

**B12. Disclosure Notes to the Statement of Profit or Loss and Other Comprehensive Income**

|   | Current<br>Quarter<br>RM'000 | Current Year<br>To Date<br>RM'000 |
|---|------------------------------|-----------------------------------|
| Depreciation of property, plant and equipment     | 525                          | 525                               |
| Dividend income                                   | (46)                         | (46)                              |
| Fair value gain on derivative financial assets    | (192)                        | (192)                             |
| Gain on disposal of property, plant and equipment | (263)                        | (263)                             |
| Equity-settled share-based payment                | 22                           | 22                                |
| Interest expenses                                 | 92                           | 92                                |
| Interest income                                   | (31)                         | (31)                              |
| Loss / (Gain) on foreign exchange                 |                              |                                   |
| - Realised  | 295                          | 295                               |
| - Unrealised                                      | (104)                        | (104)                             |